



## BOARD CHARTER

W101B

### 1 INVENTIS

Operating in Australia, Inventis Limited (“Inventis”) is a diverse manufacturer of products and services whose foundation is inspired design and innovation. Each division of Inventis is a designer and manufacturer of products and services that are recognised as leaders in their respective fields and for their superior value proposition.

### 2 OUR VISION

*To be a leader in the development of innovative products and inspired solutions for consistent and sustainable stakeholder value.*

Our Stakeholders include:

- Customers;
- Suppliers;
- Staff; and
- Shareholders.

### 3 INVESTMENT STRATEGY

The growth objective for the Company is to identify and secure opportunities that provide an enhanced sustainable rate of return on investment for both organic growth (product development, new markets, etc) and any merger or acquisition opportunities that become available to the group meet the criteria of:

- *Proven Innovation;*
- *Inspired design;*
- *Ownership of intellectual property; and*
- *An existing or a ready proven market.*

### 4 ENHANCING SHAREHOLDER VALUE

To achieve our strategy and provide value for our shareholders over the longer term, we must ensure that we:

- Understand the needs of our clients and develop products and services to meet those needs;

- Search for niche markets where innovation and inspiration can make a difference and separate our offering from others on offer;
- Investigate possible merger and acquisition opportunities that add value to products, manufacturing and markets that are consistent with the Inventis Vision and Investment Strategy and fit into and/or complement our two existing divisions;
- Invest in the development of new products and technology and provide superior products that leverage greater competitive advantages; and
- Create self-branded finished products and brands that define the business, become household names, and best capture the spirit of Inventis ~ Inspired Solutions.

## **5 BOARD CHARTER**

The purpose of this Board Charter is to set out the guidelines for Inventis and its directors in relation to:

- The role of the Board;
- The structure of the Board;
- The manner in which directors should conduct themselves; and
- The roles and responsibilities of the Chairman and the Managing Director.

## **6 THE ROLE OF THE BOARD**

The Board is responsible for the stewardship of Inventis on behalf of the shareholders.

The Board is also responsible for the development for the strategy and overall direction of the Company.

The Board shall do all things necessary, from time to time, in order to carry out the objectives of Inventis. The principal functions and responsibilities of the Inventis Board include, but are not limited to:

- Setting Inventis' vision and deciding upon its business strategies and objectives;
- Appointing the leadership to put the strategies into effect;
- Monitoring the operational and financial position and performance of Inventis;
- Identifying the principal risks faced by Inventis and ensuring that appropriate control and monitoring systems are in place to manage the impact of these risks;

- Ensuring that Inventis' financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board;
- Ensuring that investors and the market are fully informed of all material developments, in a timely manner;
- Appointing, and where appropriate, removing the Chairman and the Managing Director, approving other key executive appointments and dismissals of those reporting to the Managing Director as well as planning for executive succession;
- Overseeing and evaluating the performance of the Chairman and the Managing Director and other senior executives in the context of Inventis' strategies and objectives;
- Approving budgets and business plans and monitoring the progress of major capital expenditures, capital management as well as acquisitions and divestures;
- Ensuring compliance with all relevant laws, government regulators and accounting standards; and
- Ensuring that the business of Inventis and its subsidiaries is conducted openly and ethically.

## 7 BOARD STRUCTURE

Given the size of the Company and taking into account good governance principles, it is:

- Appropriate that the Company has a Board of 3 members (minimum required is 3); and
- Essential for the structure of the Board to reflect the need for independence, transparency and flexibility by having:
  - A majority of members being Non-Executive Directors; and
  - Have a Board with a blend of expertise in:
    - Inventis' business drivers with particular emphasis on manufacturing, marketing sales and investments;
    - Finance and Accounting; and
    - The Law which applies to the Inventis business.

The role of the Chairman and the Managing Director / General Manager should ideally be separate. Both the Chairman and the Managing Director / General Manager are appointed by the Board under the conditions of the Inventis Constitution and the terms and conditions outlined in their respective letters of appointment. The Chairman, unless an Executive Chairman without a Managing Director, should be an independent non-executive director.

Other directors will be appointed under the conditions of Inventis' Constitution and the terms and conditions contained in their respective letter of appointment. As indicated above, where practicable, Inventis should seek to have the majority of its other directors as independent non-executive directors. Independent Directors are:

- Not employees of the company or members of the management team;
- Not a substantial shareholder (5%) or an officer of or otherwise associated (directly/indirectly) with a substantial shareholder;
- Not employed in an executive capacity by Inventis or another Group member and have not been so employed in the last three years;
- Not a principal of a professional adviser or consultant to Inventis or another Group member;
- Not a material supplier or customer of Inventis or another Group member, or an officer of or otherwise associated (directly or indirectly) with a material supplier or customer;
- Not engaged in any material contractual relationship with Inventis or another Group member other than as a director of Inventis; and
- Are free from any interests and any other business or other relationships which could (or reasonably could be perceived to) materially interfere with the director's ability to act in the best interest of Inventis.

Currently, all Directors hold substantial shareholdings.

## **8 THE ROLE OF INDIVIDUAL DIRECTORS**

Inventis' directors, in common with all company directors have full responsibility for the overall successful operations of Inventis, including, but not limited to:

- The strategic direction of Inventis;
- The financial operation and solvency of Inventis; and
- All matters as prescribed by law.

Each director:

- Must discharge his/her duties in good faith and honesty, with the level of skill and care expected of a director of a listed company;
- Has a duty of care and diligence in fulfilling the functions of office, demonstrating commercial reasonableness in their decisions;
- Has a fiduciary responsibility for overseeing the operators of the company;
- Must recognise that the primary responsibility is to the Shareholders of Inventis as a whole but, where appropriate, should have regard to the interest of all the stakeholders of Inventis including employees, customers, suppliers, lenders and other parties with whom Inventis is engaged;
- Must at all times act in best interests of the company;
- Must exercise his/her powers as a director for a proper purpose;
- Must not improperly use their position as a director to gain an advantage for themselves or associated persons or cause detriment to Inventis;
- Must avoid conflicts of interest and must not allow personal interests, or an interest of any associated person, to conflict with the interests of Inventis;
- Must fully disclose material personal interests in a timely manner;
- Must make reasonable enquiries to ensure that Inventis is operating efficiently, effectively and legally towards achieving its goals;
- Must undertake diligent analysis of all proposals placed before the Board;
- Is expected to give their specific expertise generously to Inventis and without regard for further remuneration beyond the agreed-to Director's fee, unless requested by the Chairman and confirmed by the Board;
- Must keep Board discussions and deliberations confidential;
- Is expected to be forthright in Board meetings and has a duty to question, request information, raise any issue, fully canvas all aspects of any issue confronting Inventis, and cast their vote on any resolution according to their own judgement. However, outside the boardroom, directors will support the letter and the spirit of Board decisions in any discussion with suppliers, customers, staff and other parties, irrespective of how they may have personally voted on a particular issue;

- Must ensure that confidential information received by a director in the course of the exercise of directorial duties remains the property of Inventis. It is improper to disclose the confidential material, or allow it to be disclosed, unless the disclosure has been authorised by Inventis or by a person from whom the information is provided, or is required by law;
- Must not engage in conduct likely to bring discredit upon Inventis or is likely to tarnish its reputation;
- Has an obligation at all times to comply with the spirit, as well as the letter of the law and with the principles of this charter; and
- Must attend nearly all Board meetings and inform themselves about the business of Inventis and the environment within which it operates.

The Board will decide what matters are delegated to either specific directors or management and what controls must be in place to oversee the operation of these delegated powers.

Directors have no individual authority to participate in the day-to-day management of Inventis, including making any representation or agreements, unless such authority is explicitly delegated by the Board through resolution of the Board to empower the director either individually or as a member of a Board Committee. However, this prohibition does not apply to executive directors for management responsibilities required by virtue of their engagement by Inventis as an executive of the Company.

The Board of Directors should meet formally at least 9 times a year and at the Chairman's request, informally to discuss specific matters that may arise between scheduled meetings. It is expected that Directors are able to attend not less than 80% of all meetings, scheduled or otherwise. Should a director be un-contactable for an extended period must notify the Company Secretary in advance and such notification is considered to be a request for leave from any meeting or a circular resolution required to be considered during any such period of absence. A director should always be available within 24 hours notice to discuss urgent business that may arise from time to time.

Non-executive directors should ensure that they are able to commit not less than 20 days per year preparing and attending Board and committee meetings and performing associated corporate activities.

## 8.1 Conflict of Interest and related Party Transactions

Directors must disclose to the Board actual or potential conflicts of interest which may exist or might reasonably be thought to exist between their interests and the interests of other persons in carrying out the activities of Inventis.

A director must absent themselves from the room when discussing matters in respect of which they have a conflict. Should all the non-conflicted directors agree, the director may remain in the room but must not partake in the discussion, unless specifically and unanimously required by the non-conflicted directors. These actions must be minuted.

Directors will not be entitled to vote on any matter in which they have a personal interest. Directors will indicate to the Chairman and/or Company Secretary any potential conflict of interest situation as soon as it arises. The same requirements will exist for related party transactions.

These requirements also apply to all senior officers of Inventis.

## 8.2 Access and Independent Advice

All directors have the right to access all relevant information and the records relating to the operations of Inventis as required.

Any directors in carrying out their duties may after prior consultation with the Chairman, seek independent legal and accounting advice (at the expense of Inventis) concerning any aspect of the Inventis' operations or undertakings.

Each director has signed a '*Deed of Indemnity and Access*' that sets out the circumstances in which a director is indemnified as well as Inventis' obligations to arrange Directors' insurance and access to the company records by a director after they cease to be a director.

## 8.3 Availability

The directors meet formally at least 9 times a year and at the Chairman's request, informally to discuss specific matters that may arise between scheduled meetings. It is expected that Directors are able to attend 7 of the 9 scheduled meetings.

Non-executive directors are asked to commit no less than 20 days per year preparing and attending Board and committee meetings and performing associated corporate activities.

As there is the occasional need for directors to be contacted urgently, directors should leave with the Company Secretary any contact details, either for themselves or for a person who knows the location of the director, so that the director can be contacted within 24 hours in cases of urgent business arising.

A director who will be uncontactable for an extended period may notify the Company Secretary in advance and such notification is to be regarded as a request for leave from any meeting or a circular resolution required to be considered during any such period of absence.

#### **8.4 Trading in the Securities of Inventis**

Apart from observing legal requirements, directors must inform the Board of any proposed dealing in Inventis' shares and comply with the Company's Share Trading Policy.

Refer to Inventis Share Trading Policy for details of the policy.

### **9 THE ROLE OF THE CHAIRMAN**

The Chairman as the head of the Board provides leadership of the Board and leadership in the strategic direction of Inventis, more particularly:

- Leading and facilitating the Board and its deliberations;
- Promoting the directors' focus on the enhancement of investor value;
- Maintaining a professional working relationship with the Managing Director / General Manager and Chief Financial Officer;
- Offering support and advice to the Managing Director / General Manager;
- Ensuring that management appropriately responds to questions and enquiries by members of the Board;
- Acting as spokesman and communicating and consulting with shareholders and relevant stakeholders on significant issues, as appropriate;
- Endeavouring to ensure that each director appropriately contributes to the Board's decision making process;

- Chair Board meetings, set the agenda for each Board meeting in consultation with the Managing Director / General Manager and the Company Secretary, taking into account suggestions from other directors and endeavouring to ensure meetings are effectively conducted;
- Maintaining ethical standards based on the agreed company values;
- Being a major point of contact between the Board and the Managing Director / General Manager and Chief Financial Officer;
- Regularly reviewing with the Managing Director / General Manager and Chief Financial Officer and such other senior officers as the Managing Director / General Manager recommends, progress on important initiatives and significant issues facing Inventis; and
- Mentoring the Managing Director / General Manager.

## 10 THE ROLE OF THE MANAGING DIRECTOR / GENERAL MANAGER

The designations Managing Director of Inventis Limited or any of its subsidiaries is not currently in use by the Company. The General Manager is the direct report to the Board through the Chairman.

Although the General Manager performs all the functions and role of a Managing Director, the General Manager is not a member of the Board.

The General Manager is responsible for the ongoing management of Inventis in accordance with the strategy, policies, and programmes approved by the Board to achieve the agreed business Strategies and objectives.

The General Manager's responsibilities include:

- Developing, with the Board, a consensus for Inventis' vision and direction;
- Constructing with Inventis' management team programmes, business plans and budgets to implement this vision;
- Developing and delivering on Inventis' strategic plan in the most effective and efficient manner;
- Endorsing the terms and conditions of appointment of senior managers and other staff members;
- Providing strong leadership to, and effective management of, Inventis and its management team in order to:
  - Encourage co-operation and team work;
  - Build and maintain staff morale at a high level; and

- Build and maintain a strong sense of staff identity and a sense of allegiance to Inventis;
- Signing agreements with third parties in accordance with Board delegations;
- Ensuring a safe workplace for personnel;
- Carrying out the day-to-day management of Inventis;
- Keeping the Chairman fully informed of day-to-day happenings on all matters which may be of interest to directors;
- Keeping the Board informed, at an appropriate level, of all the activities of Inventis; and
- Being the spokesman for Inventis:
  - at its AGM in the reporting of the performance and profit figures;
  - To stockbrokers, market analysts and the Investment Community; and

The General Manager's duties include:

- Implementation of the Board's policies and strategies;
- Managing, motivating, developing and leading members of the Management Team;
- Being responsible for the development and implementation of comprehensive management actions to achieve sales, production targets, and adherence to fiscal budgets established by the Board of Directors;
- Cause the establishment of production and quality control standards as well as cost control measures to ensure that the manufacturing component of the business is aligned with the corporate objectives;
- Ensuring that all Managers reporting to him/her maintain manufacturing operations so that the business plans and the fiscal budgets of the Inventis Group are met, including but not limited to, specific production targets, effective use of labour and the minimisation of production costs;
- Ensure that each Manager has established costs, quality and delivery commitments that meet and direct the resolution of operational, manufacturing and maintenance problems to ensure that costs are minimised and operational delays are prevented; and
- Direct and lead the management team to coordinate manufacturing activities with all other functions of the Inventis

Group to obtain optimum production and utilisation of human resources, machines and equipment.

- In conjunction with each Manager:
  - Develop an appropriate sales strategy for the Inventis Group; and
  - Manage the achievement of sales targets and the activities of each Manager as it pertains to their respective sales teams.
- Direct and lead the Managers and work with the Chief Financial Officer to:
  - Develop and maintain internal controls to ensure sound and effective use of the Inventis Group resources and the protection of its assets;
  - Provide guidance for the development of fiscal budgets for each company within the Inventis Group including sales plans, manufacturing plans and the requirements for personnel, materials, subcontractors, facilities tooling and equipment;
  - Develop Risk Management Plans;
  - Develop appropriate costing and price lists for each product manufactures and/or sold by the Inventis Group;
  - Establish and obtain both physical and financial data regarding types, quantities, specifications and delivery dates of products ordered, manufactured, and sold for recording in the financial accounts;
  - Perform administrative activities associated with the effective management of operations, including compiling operations, sales and production data for Board reports;
  - Determine responsibilities of assigned organisational and staff positions to accomplish business objectives. Train and ensure all assigned employees are aware of, and comply with, Inventis Group, Government and customer policies, procedures, OH&S requirements and regulations; and
  - Promote the interests of Inventis and give Inventis the full benefit of his/her knowledge, ingenuity, experience, technical skill and networking.

## 11 COMMUNICATION

The General Manager and the Chairman are to communicate on a regular basis and agree all general correspondence to be distributed

to the board by the Executive team and by the Board to the Executive team.

All Directors should communicate with management through the Chairman and vice versa.

## 12 BOARD COMMITTEES

The Board may establish Committees from time to time to assist the Board in the execution of its responsibilities. Any Board Committee established, will have a documented and approved Charter under which, authority is delegated from the Board. Standing Board Committees include:

- Audit and Risk Management Committee(W101Bi); and
- Nomination & Remuneration Committee (W101Bii).

Due to the membership of the Board restricted to three members, the Board has resolved that all functions of the Committees shall be performed by the Board. When performing these functions, the chairperson may be different for each matter.