

# Board Charter

SIV Capital Limited ACN 011 045 828

adopted on 30 June 2020

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## 1. Introduction

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- 1.1 This Board charter (**Charter**) sets out the principles for the operation of the board of directors (**Board**) of SIV Capital Limited ACN 011 045 828 (**Company**), describes the functions of the Board and sets out the Company's commitment to effective corporate governance.
- 1.2 The conduct of the Board is also governed by the Company's constitution (**Constitution**). Where there is an inconsistency between this document and the Constitution, the Constitution will prevail to the extent of the inconsistency.
- 1.3 Each director of the Company (**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 Company and its related bodies corporate (**Group**); and
  - (c) other people or entities with whom the Company deals.
- 1.4 The Board's broad functions are:
- (a) to chart strategy and set operational and financial targets for the Group;
  - (b) to monitor the implementation and execution of strategy and performance against operational and financial targets;
  - (c) to appoint and oversee the performance of responsibilities that are delegated to committees of the Board or to management, and
  - (d) generally to take an effective leadership role in relation to the Group.

## 2. Responsibilities of board

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- 2.1 The Board's responsibilities include:
- (a) providing and demonstrating leadership;
  - (b) defining the Company's purpose, strategic objectives and policy;
  - (c) determining the Board's size and composition (including appointment and retirement or removal of directors);
  - (d) overseeing the Group and management (including control and accountability systems), ensuring there is an appropriate framework for management to report relevant information to the Board and, whenever required, challenging management and holding it to account;
  - (e) reviewing, ratifying and monitoring systems of risk management and internal controls, including in relation to any environmental and social risks of the Company's activities;
  - (f) approving the Company's statement of core values, behaviours and code of conduct to underpin the desired culture within the Group;

- (g) appointing, and if necessary, replacing the Chair, chief executive officer, other senior executives and the company secretary;
- (h) determining the duration, remuneration and other terms of appointment of the chief executive officer, other senior executives and the company secretary;
- (i) approving the business plan, operating budgets and major capital expenditure;
- (j) having input in and granting final approval of corporate strategy and performance objectives developed by management;
- (k) overseeing management in its implementation of the corporate strategy, instilling of the Company's values and performance generally;
- (l) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and sales;
- (m) approving and monitoring financial and other reporting (subject to receiving the declarations or approvals required under the Corporations Act or any other regulatory requirements) and reporting systems, including the external audit;
- (n) monitoring industry developments relevant to the Group and its business;
- (o) developing suitable key indicators of operational and financial performance for the Group and its business;
- (p) overseeing the Company's compliance with its continuous disclosure obligations;
- (q) ensuring that the Company instils a culture of acting lawfully, ethically and responsibly;
- (r) monitoring the overall corporate governance of the Company (including its strategic direction and goals for management, and monitoring the achievement of these goals);
- (s) overseeing and approving an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- (t) approving the Group's remuneration framework, and ensuring that the Company's remuneration framework is aligned with the Company's purpose, values, strategic objectives and risk appetite;
- (u) reviewing economic, environmental and social sustainability matters, and overseeing the preparation of disclosure in respect of such matters;
- (v) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit; and
- (w) oversight of committees, including in relation to any of the responsibilities mentioned above.

### **3. Board composition**

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#### **3.1 The chair of the Board (Chair):**

- (a) must be appointed from the Board's membership;
- (b) is responsible for the Board's leadership and for its efficient organisation and conduct;

- (c) should facilitate the effective contribution by all Directors and promote constructive and respectful relations between Directors and between the Board and management; and
- (d) is responsible for presiding over meetings of the Board and general meetings of shareholders, including approving Board agendas and ensuring that adequate time is available for discussion of all agenda items, including strategic issues.

**3.2** The Company intends for the Board to be comprised of:

- (a) members with a broad range of experience, expertise, skills, diversity and contacts relevant to the Group and its business;
- (b) no less than three directors, half of whom should be non-executive directors;
- (c) more than three directors where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified; and
- (d) a majority of independent directors.

3.3 Subject to clause 3.1 and 3.2 above, where the Chair is not considered by the Board to be independent or the Board otherwise determines it is appropriate, the Board will appoint one of the independent directors to be the deputy chair of the Board (**Deputy Chair**).

3.4 If appointed the Deputy Chair's responsibilities will include:

- (a) the chair role where the Chair is conflicted or unavailable (including but not limited to, matters, discussions or determinations in relation to the chair's appointment or performance); and
- (b) assisting the Board in reviewing the performance of the Chair.

## **4. Ethical standards and values**

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- 4.1 All Directors must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.
- 4.2 The Directors must comply with the Company's Code of Conduct in the exercise of their duties.

## **5. Independence of Directors**

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- 5.1 The Board must regularly assess whether each Director is an independent Director in the light of the interests disclosed by them.
- 5.2 A Director should only be characterised as an independent Director if they are 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 Company as a whole rather than in the interests of an individual security holder or other party.
- 5.3 The Board will have regard to the ASX Corporate Governance Principles and Recommendations and in particular, the 'Factors relevant to assessing the independence of a Director' as set out in the ASX Corporate Governance Principles and Recommendations, and other facts, information and materials, when determining whether a particular interest, relationship or position exists that may raise issues about the independence of a Director. Where a particular interest, relationship or

position is identified, the Board will assess if the interest, relationship or position is material, and if so, determine whether the interest, relationship or position does (or could be reasonably be seen to) materially impact or interfere with the director's independent exercise of judgement.

- 5.4 Each Director must provide the Board with all relevant information for this purpose.
- 5.5 The independence of Directors will be disclosed in the annual report and the Company's Corporate Governance Statement as required by the Corporations Act and the ASX Listing Rules.
- 5.6 The Board will continue to monitor the interests of its directors and will review its assessment of independence at least annually, and as and when a Director's circumstances change in a manner that warrants reassessment.
- 5.7 Where the Board decides a Director has ceased to be an independent Director, this must be immediately disclosed to the market.

## **6. Appointment and retirement of Directors**

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- 6.1 The terms of the appointment of all new directors and executives should be set out in a letter of appointment or service contract.
- 6.2 The material terms of any employment, service or consultancy agreement with a Director or the Chief Executive Officer should be disclosed in accordance with the ASX Listing Rules.
- 6.3 All Directors, excluding the Managing Director, must retire in accordance with the requirements of the Constitution and the Listing Rules. Retiring Directors may, in these circumstances, be eligible for re-election.

## **7. Performance review and evaluation of directors**

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- 7.1 The performance of all other Directors should be reviewed and assessed each year by the Chair.
- 7.2 The Chair's performance should be reviewed and assessed each year by the Deputy Chair (if applicable) and otherwise in consultation with other Directors.
- 7.3 The evaluation criteria and process to be followed is the same in each case.
- 7.4 The Board will determine the evaluation criteria and process from time to time.
- 7.5 A Director, whose performance is unsatisfactory, may be asked to retire.
- 7.6 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.
- 7.7 Each Director must cooperate fully with any review or assessment of performance, whether collective or individual, and whether conducted by:
  - (a) the Chair;
  - (b) any other Director; or
  - (c) any independent third party externally appointed for the purpose.
- 7.8 Unless otherwise stated in any other charter or document, the Board may also review and assess the performance of its senior executives in accordance with the above process.

## 8. Training, advice and information for Directors

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- 8.1 Before accepting the appointment, Directors must be provided with information about the Group that is appropriate for them to discharge their responsibilities. Induction training will be tailored to their existing skills, knowledge and experience.
- 8.2 Directors must be given access to continuing education and professional development in relation to the Group, extending to:
- (a) its business;
  - (b) the industry in which it operates;
  - (c) financial and accounting matters; and
  - (d) other information required by them to discharge their roles and responsibilities effectively.
- 8.3 Each Director may seek independent legal or other professional advice at the Company's expense. Prior approval from the Chair is required and may not be unreasonably withheld or delayed. Generally this advice will be available to Directors if the Chair considers the advice relevant for them to discharge their responsibilities as Directors.
- 8.4 If a Director is at any time appointed who is not fluent in the language in which Board or shareholder meetings are held or key documents are written, then the Board will develop a process to ensure that the Director understands and can contribute to the discussion at those meetings and understands and can discharge their obligations in relation to those documents, and will disclose such process in its annual report or other public disclosures (as appropriate).

## 9. Board meetings

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- 9.1 Board meetings must be conducted in accordance with the Company's Constitution.
- 9.2 Papers for Board meetings must be circulated, where practical, at least five days before the relevant meeting.
- 9.3 Draft minutes of Board meetings (for consideration and approval at the next relevant meeting) should be circulated within ten days following each meeting.

## 10. Secretary

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- 10.1 The secretary of the Company (**Secretary**) is accountable to the Board, through the Chair, on all corporate governance matters and is responsible for:
- (a) advising the Board and its committees on governance matters;
  - (b) advising the Board on compliance with its requirements under the Corporations Act regarding its registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission;
  - (c) monitoring this Charter, any corporate governance policy and any committee charter, to ensure they are followed;
  - (d) helping to organise and facilitate the induction and professional development of the Directors; and

- (e) coordinating the timely completion and despatch of:
  - (i) Board agendas and committee briefing materials; and
  - (ii) draft minutes of Board and committee meetings for approval at the next meeting.

## **11. Delegation to Chief Executive Officer**

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**11.1** The Board delegates to the Chief Executive Officer the authority over the day to day management of the Group, including responsibility for:

- (a) making recommendations on significant strategic initiatives, implementing the strategic objectives developed by the Board in accordance with the Board's approved policies, and operating within the delegated limits of authority set by the Board;
- (b) the appointment of senior management, determining their terms of appointment, evaluating performance, and maintaining succession plans for senior management roles;
- (c) developing the annual budget and managing day to day operations within the budget;
- (d) maintaining effective risk management frameworks;
- (e) notifying the Board of matters relating to the Group's operations to enable the Board to fulfil its responsibilities including in respect of continuous disclosure matters;
- (f) compliance with social, ethical and environmental practices;
- (g) the provision of information necessary for the maintenance of financial accounts of the Group to be completed; and
- (h) ensuring the Board is provided with adequate information to make fully informed decisions.

## **12. Delegation to committees**

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**12.1** 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.

**12.2** The committees established at the date of this document include:

- (a) the Audit and Risk Committee; and
- (b) the Remuneration and Nomination Committee.

**12.3** The Board will review and evaluate the performance of its committees (and the relevant members) in accordance with the review process stated in the relevant committee charter.

## **13. Business risks**

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**13.1** The risks of 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. That plan may also be submitted to the Audit and Risk Committee for review.

- 13.2 Corrective action should be taken as soon as reasonably practicable after adoption of an action plan.
- 13.3 Company policies and procedures should contain risk management procedures that aim to address risk management issues including professional indemnity claims.
- 13.4 The Board should record in its minutes as and when management reports on the effectiveness of the Company's management of its material business risks.

## **14. Communication with shareholders**

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- 14.1 The Company's continuous disclosure obligations should be a standing item on the agenda for each regular Board meeting.
- 14.2 Directors must promptly provide details of any matter within their knowledge that might require disclosure to the market under the continuous disclosure obligations.
- 14.3 The annual report must be distributed to all shareholders in accordance with the requirements of the Corporations Act and the Listing Rules.
- 14.4 The annual report should include relevant information about the operations of the Group during the year, the conduct of its Board committees, 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, Listing Rules and ASX Corporate Governance Principles and Recommendations. An Appendix 4G should also be completed, lodged and released in accordance with the Listing Rules.
- 14.5 Shareholders at an annual general meeting (**AGM**) should be asked to vote on:
  - (a) proposed major changes in the Group which may impact on share ownership rights; and
  - (b) the removal and appointment of Directors.
- 14.6 If resolutions are required to be put to shareholders before the next AGM, a general meeting will be convened as specified in the Constitution.
- 14.7 The Board should encourage the full participation of shareholders at the AGM and at other general meetings to ensure a high level of accountability and identification with the Company's strategy and goals.
- 14.8 The half-yearly report should contain summarised financial information and a review of the operations of the Company during the period. The report should be lodged with and available from ASX and the Australian Securities and Investments Commission. It should also be sent to any shareholder who requests it from the Company.
- 14.9 Company announcements must 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.
- 14.10 Information about the Company, including copies of announcements made through ASX, the annual report and half-yearly report, should be made available to shareholders and prospective investors in the Company on the Company's website.
- 14.11 The Company has a continuing commitment to electronic communication with shareholders and stakeholders generally, including through its website.

## **15. Disclosure of Board selection process**

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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 or other public disclosures and may include information about:

- (a) details about 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;
- (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.

## **16. Recognition of interests of stakeholders**

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The Company must function within, and operate with a sense of responsibility to, the wider community as well as to shareholders. This sense of responsibility to stakeholders generally is an important part of the Company's role within the broader community and represents not only sound ethics but also good business sense and commercial practice.

## **17. Disclosure to market**

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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 must be reported to ASX in accordance with continuous disclosure requirements.

## **18. Approval, review and changes**

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- 18.1 This Charter was approved and adopted by the Board on 30 June 2020.
- 18.2 The Board will from time to time review this Charter as often as it considers necessary to ensure this Charter remains effected and relevant to the current needs of the Company.
- 18.3 The Board may amend this Charter from time to time by resolution.