



Board Charter ~ Inventis Limited ~ July 2007

1 INVENTIS

Operating in Australia and New Zealand, 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 world class leader in the development and manufacturing of innovative products and inspired solutions to meet the present and future needs of our Stakeholders.

Our Stakeholders include:

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

3 INVESTMENT STRATEGY

Our Investment Strategy seeks to achieve our vision by ensuring that potential mergers and acquisitions as well as product development within the Inventis group meets the criteria of:

- *Proven Innovation;*
- *Inspired design; and*
- *Ownership of intellectual property.*



4 ENHANCING SHAREHOLDER VALUE

To achieve our strategy and enhance Shareholder value, we shall 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;
- Uncover merger and acquisition opportunities that add value to products, manufacturing and markets that are consistent with the Inventis Vision and Investment Strategy;
- Invest in the development of new products and technology and provide superior products that leverage greater competitive advantages;
- 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 PURPOSE

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 and for all matters pertaining to the management of Inventis.

The Board will be responsible for, and have the authority to determine policy, practices, management, and the operations of Inventis and 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

In line with good governance principles, it is essential for the structure of the Board to reflect the need for independence, transparency and flexibility and to have 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 Constitution of Inventis provides for a minimum of three and a maximum of ten directors. The board currently comprises five directors (including the Chairman), three of whom are executives of the Company. The Board recognises that this is not an ideal situation and is actively searching for a further non-executive director.

The role of the Chairman and the Managing Director will be separate. Both the Chairman and the Managing Director will be appointed by the Board under the conditions of the Inventis Constitution and the terms and conditions outlined in their respective letter of appointment. The Chairman will be a non-executive director and the Managing Director will be an 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. Where practicable, Inventis will seek to have the majority of its other directors as independent non-executive directors. Inventis considers a director to be independent if a director:

- Is not a member of management;
- Is not a substantial shareholder (5%) or an officer of or otherwise associated (directly or indirectly) with a substantial shareholder;
- Has not been employed in an executive capacity by Inventis or another Group member in the last three years;
- Has not been a principal of a professional adviser or consultant to Inventis or another Group member;
- Is 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;
- Has no material contractual relationship with Inventis or another Group member other than as a director of Inventis; and
- Is 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.

The Chairman of Inventis, Mr Graeme Edwards is currently an independent non-executive Director because he meets the company's guideline of being independent by having less than a 5% interest (either directly or indirectly) in the securities of Inventis.

After the acquisition of Alpha Aviation and the placement of certain shares pursuant the approval of Shareholders granted at an EGM held on 16 April 2007, Mr Edwards will have a 6.05% interest (directly and indirectly) in the capital of Inventis, which is more than the 5% level specified by Inventis' guidelines for being independent.

Mr Edwards has been a shareholder of Inventis for 5 years and has considerable knowledge of the Gregory Commercial Furniture business as well as that of PNE Electronics and Alpha Aviation. Having regard to his previous involvement with, the continued commitment to, and the investment by him in Inventis, the Board considers it appropriate that he remain as the non-executive Chairman of Inventis.

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;
- 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 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 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 Managing Director 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 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.

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 11 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 9 of the 11 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 are required to confine any such dealing to a two week trading window following the release of annual, half yearly or significant announcements to the market.

Should any director wish to trade their shares within the two-week trading window, it is the director's responsibility to ensure that they are not in possession of any sensitive information that is not generally known to the market.

These requirements also apply to all senior officers of Inventis.

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;
- 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 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;
- Regularly reviewing with the Managing Director and such other senior officers as the Managing Director recommends, progress on important initiatives and significant issues facing Inventis; and
- Mentoring the Managing Director.

10 THE ROLE OF THE MANAGING DIRECTOR

The Managing Director 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 Managing Director's responsibilities (in addition to those contained herein for Directors) 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;
- 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.

11 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
- Nomination and Remuneration.