

This Board Charter sets out the principles for the operation of the Board of Directors of Diverger Limited (formerly known as Easton Investments Ltd) ACN 111 695 357 (the **Company**) and describes the functions of the Board, together with the functions delegated to management of the Company. It should be read in conjunction with the Company's Corporate Governance Statement which provides a detailed framework for the governance of the Company.

The Board is formed pursuant to the Company's Constitution and is accountable to shareholders for the performance of the Company. The Board must, at all times act honestly, fairly and diligently in all respects in accordance with the laws and regulations applicable to the Company and the Company's Constitution, and must act in the best interests of the shareholders and other stakeholders.

Nothing in this Charter limits any powers or responsibilities of the Board.

1. Values

This Board Charter and the Charters adopted by the Board for the Committees established by the Board (the **Board Committees**) have been prepared in accordance with the Company's Constitution and adopted on the basis that good corporate governance procedures add to the performance of the Company and the creation of shareholder value.

2. Role

2.1 The Board is responsible for:

- The overall corporate governance of the Company, including the establishment and empowerment of Board Committees to assist in its functions;
- Overseeing the business and affairs of the Company by:
 - i. establishing, with management, the strategic direction and financial objectives to be implemented by management;
 - ii. reviewing and approving the Company's financial objectives and major corporate plans and actions;
 - iii. approving capital and other expenditure in excess of limits delegated to management;
 - iv. reviewing and approving merger and acquisition initiatives;
 - v. approving capital management initiatives;
 - vi. ensuring that adequate procedures are in place to identify the principal risks of the Company's business and ensure the implementation of appropriate systems to manage these risks;
 - vii. monitoring the performance of management directly and through its Board Committees;
 - viii. monitoring compliance with legal and regulatory requirements; and
 - ix. carrying out the functions specifically reserved to the Board and its Board Committees under the policies of the Board and the Charters of those Committees.

- Communicating with the Company's shareholders and the community, at the appropriate times, the results of, and developments in, the business operations of the Company and always in compliance with the obligations contained in the Listing Rules of the ASX;
- approving the Company's major human resources policies and overseeing the development strategies for senior and high performing executives;
- establishing and overseeing appropriate capital management strategies and policies, including the management of debt facilities and the issue and allotment of the Company's securities;
- ensuring that appropriate policies and procedures are in place so that the business of the Company is conducted in an honest, open and ethical manner;
- establishing a formal and transparent procedure for the selection and appointment of new Directors to the Board;
- regularly reviewing the succession plans in place for membership of the Board to ensure that an appropriate balance of skills, experience and expertise is maintained;
- instituting internal procedures for evaluating the performance of:
 - i. the Board;
 - ii. individual Directors; and
 - iii. the Board Committees.
- ensuring Directors meet regularly to discharge their responsibilities as described above, at such meetings a quorum is considered to be two (2) Directors in accordance with the Company's Constitution with one of those Directors being independent; and
- approving the Company's Statement of Values and Code of Conduct.

2.2 The Board of Directors also has power to:

- initiate and adopt corporate plans, commitments and actions;
- initiate and adopt changes in accounting principles and practices;
- provide advice and counsel to the Managing Director / Chief Executive Officer;
- instruct and review the actions of any Board Committee and the Managing Director / Chief Executive Officer;
- make recommendations to shareholders;
- meet from time to time without management being present; and
- act as to all other corporate matters not requiring shareholder approval.

3. Functions

In carrying out its role, the Board will operate for a proper purpose and in the best interests of the Company, in a manner reflecting the Company's values and in accordance with its approved corporate governance policies, the Company's Constitution, the Corporations Act 2001 (C'th) (the **Act**) and other applicable regulations.

4. Delegations

4.1 Subject to the Board's ultimate responsibility for oversight under paragraph 2.1, the Board may delegate to its Board Committees, a Director or any other person in authority the performance of any of its functions and the exercise of any of its powers.

4.2 The following responsibilities are delegated to Senior Management:

- implementing the strategic objectives of the Company and operating within the risk appetite set by the Board;
- developing strategies to deliver a strong market presence and build shareholder wealth over the long term in accordance with the Company's strategic direction as determined by the Board;
- recommending appropriate strategic and operating plans;
- maintaining effective control of operations;
- effectively managing risk within the Company's risk management framework and reporting to the Board in connection with the management of risk and including emerging risks;
- providing strong and ethical leadership;
- assuring sound succession planning and management development;
- providing sound organisational structure;
- informing the Board regularly regarding the status of key initiatives; and
- providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities and ensuring full disclosure of all relevant matters to the Board.

5. Matters specifically reserved to the Board

5.1 The following matters must be approved by the Board:

- financial governance policies including the approval of the budget, and any variations to it, annual and half yearly financial statements and the accounting policies used in their compilation;
- the determination and declaration of dividends;
- nomination, appointment and remuneration of Directors;
- appointment of Chairman and any Deputy Chair of the Board;
- selection, appointment and removal of the Managing Director / Chief Executive Officer;
- the duration, remuneration and other terms of appointment of the Managing Director / Chief Executive Officer;

- appointment and replacement of key management personnel and the Company Secretary;
- membership and terms of reference of Board Committees;
- assessment of Board, Managing Director / Chief Executive Officer's and other executive Directors' performance;
- matters referred by the Board Committees;
- selection and appointment of the external auditor;
- corporate governance matters relating to the Board and senior management, and matters of principle regarding corporate governance;
- all corporate governance policies;
- oversight of all M&A initiatives;
- the allotment of securities; and
- oversight of all Group debt facilities.

5.2 Secretarial and other functions of the Board include:

- calling of shareholders' meetings;
- delegation of the Board's powers;
- allotment, calls or forfeiture of shares;
- disclosure of Directors' interests;
- initiating litigation;
- meeting continuous disclosure and due diligence obligations;
- disclosing and monitoring related party transactions;
- establishing a Share Trading Policy and overseeing compliance with that Policy;
- Establishing and operating employee share plans as deemed appropriate.

6. Board Composition and Size

- The Board is appointed by the shareholders. Non-executive Directors are engaged through a letter of appointment.
- In accordance with the Company's Constitution, the Board may comprise up to ten (10) individual Directors with a minimum of three (3).
- 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.
- Directors will be classified as independent or non-independent and non-executive or executive.
- It is intended over time 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.

- The Board, together with the Nomination and Remuneration Committee, will review the skills, experience, expertise and diversity (including gender diversity) represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Company's strategy, subject to limits imposed by the Constitution.

7. 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 a Director to be independent where he or she is not an executive of the Company and is free of any interest, position, association or relationship that might influence, or might reasonably be perceived to influence, in a material respect his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally. In assessing the independence of a director, the Board takes account of a range of factors including the factors referred to in the ASX Corporate Governance Principles and Recommendations (4th 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.

8. Conflicts of Interest

Directors must:

- disclose to the Board (through the Secretary and/or Chairman) any actual or potential conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue;
- take any necessary and reasonable measures to try to resolve the conflict; and
- comply with the Corporations Act provisions on disclosing interests and restrictions on voting.

If a conflict or potential conflict situation exists, it is required that the conflicted Director shall be absent from the meeting whilst the Board discusses the matter and not vote on the matter, unless the other Directors who do not have a material personal interest in the matter have passed a resolution that states that those Directors are satisfied that the interest should not disqualify the Director from voting or being present. The provision of S.195(1) of the Corporations Act mandate these provisions.

Directors are expected to advise the Chairman of any proposed Board or executive appointment to other companies as soon as practicable.

9. Selection & Appointment of Directors

Since good governance principles require independence, transparency and flexibility, the Board acknowledges the importance of Board composition and selection.

Accordingly, the Board regularly reviews its composition and the succession plans for Directors. In selecting Directors for appointment the Board seeks to ensure that the potential appointee's best match the needs of the Company and the Board.

Factors considered by the Board when considering a person for appointment as a Director include:

- the ability to contribute to the overall effectiveness of the Board and work constructively with the existing Directors;
- the integrity of the person;
- whether the person would be prepared to question, challenge and offer critiques;
- whether the person had a proven track record of creating value for shareholders;
- the commitment to the highest standards of governance;
- the nature of existing positions held by the appointee including directorships or other relationships and the impact that each may have on the appointee's ability to exercise an independent judgement; and
- whether the candidate will bring an independent point of view to the Board decision-making process.

The Board also considers:

- the skills, knowledge, experience and diversity required on the Board and the extent to which each is currently represented by current Directors on the Board;
- the business and strategic needs of the Company;
- the need to cater for replacement Directors ahead of scheduled retirements; and
- opportunities to obtain the services of particular persons with desirable skills at the time of their availability.

The Board routinely determines whether it is necessary to recruit any additional Directors to the Board.

10. Re-election of Directors

In accordance with the Company's Constitution, all new appointees to the Board, other than the Managing Director, must resign at the next annual general meeting after the date of their appointment and offer themselves for election by shareholders. Each Director who has held office past the third annual general meeting or 3 years since the Director's last election, whichever is longer, must retire, and if eligible, seek re-election. Any Director seeking re-election will be required to be nominated by the Nomination and Remuneration Committee.

11. Roles and Responsibilities of the Chairman

The Chairman will be responsible for leading the Board, facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors and between the Board and management. The Chairman will also be responsible for approving Board agendas and ensuring that adequate time is available for discussion of all agenda items, including strategic issues.

12. Independent Professional Advice

Any Director is entitled to obtain independent professional advice relating to the affairs of the Company or to his or her other responsibilities as a Director.

If a Director considers such advice is necessary the Director shall first discuss it with the Chairman and, having done so, shall be free to proceed.

Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Director will ensure, so far as is practicable, that the cost is reasonable.

Approved by the Board on 25 May 2022

Document Control

Document Control No.	Document Date	Review / Amended	Board Approval Date	Responsible Person
EAS 1. Board Charter		Reviewed	June 2012	Geoff Robinson
EAS 1. Board Charter_May_2018		Amended	May 2018	Mertons
EAS 1. Board Charter_May_2019		Amended	May 2019	Mertons
EAS 1. Board Charter_May_2020		Suggested amendments	June 2020	Mertons
EAS 1.Board Charter Board Approved (250620)		Amended	June 2020	Mertons
EAS 1.Board Charter Board Approved	24 June 2021	Amended	June 2021	Mertons
DVR 1.Board Charter Board Approved	25 May 2022	Reviewed	May 2022	Mertons

Attachment “1”**Factors relevant to assessing the independence of a director Examples of interests, positions and relationships that might raise issues about the independence of a director of an entity include if the director:**

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the entity;
- is, or has been within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- has close personal ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the Board to determine whether it might interfere, or might reasonably be seen to interfere, with the director’s capacity to bring an independent judgement 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.