



Corporate Governance Charter

AVADA Group Limited ACN 648 988 783

Approved by the Board on 20 September 2024

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Corporate governance charter

AVADA Group Limited ACN 648 988 783

It is agreed as follows.

1. Definitions and interpretation

1.1. Definitions

In this document:

| Term | Definition |
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| AGM | means AVADA's annual general meeting. |
| Anti-Bribery and Anti-Corruption Policy | means the Company's policy regarding anti-bribery and anti-corruption which is set out in the document adopted by the Company and updated from time to time. |
| ARM Committee | means the Committee responsible for the matters set out in 0. |
| ASIC | means the Australian Securities and Investments Commission. |
| ASX | means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires). |
| Board | means the board of Directors. |
| Board Charter | means the charter of corporate governance in relation to the Board, set out in paragraph 2. |
| Chairman | means the chairman of the Board. |
| CEO | means the executive officer (by whatever title known, whether chief executive officer, managing director or otherwise) with sole responsibility for the strategic and operational management of the Group. |
| Code of Conduct | means the Company's code of conduct adopted by the Company and updated from time to time. |
| Committee | means a committee of the Board. |
| Constitution | means AVADA's constitution. |
| Continuous Disclosure Policy | means the Company's policy regarding continuous disclosure which is set out in the document adopted by the Company and updated from time to time. |
| CFO | means AVADA's chief financial officer or equivalent officer (by whatever title known). |
| Company or AVADA | means AVADA Group Limited ACN 648 988 783. |
| Corporations Act | means <i>Corporations Act 2001</i> (Cth). |

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| Deputy Chairman | means the deputy chairman appointed by the Board in circumstances where the Chairman is not an Independent Director. |
| Director | means a director of AVADA. |
| Diversity | means but is not limited to diversity of gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity. |
| Diversity Policy | means the Company's policy regarding Diversity which is adopted by the Company and updated from time to time. |
| Group | means AVADA and its controlled entities. |
| Group Operating Policies and Procedures | means the policies and procedures applicable to the Group, updated from time to time, adopted by the Board. |
| Independent Director | means a Director who is not a Senior Executive and who: <ul style="list-style-type: none"> (a) is not a substantial Shareholder, or an officer of a substantial Shareholder, and is not otherwise associated, directly or indirectly, with a substantial Shareholder; (b) has not, within the last three years: <ul style="list-style-type: none"> (i) been employed in an executive capacity by AVADA or another Group member; or (ii) been a Director after ceasing employment in an executive capacity for AVADA or another Group member; (c) has not, within the last three years, been a principal of a professional adviser to AVADA or another Group member or an employee materially associated with the service provided, except where the adviser might be considered to be independent due to the fact that fees payable by AVADA to the adviser's firm represent an insignificant component of the adviser's firm's overall revenue; (d) has not, within the last three years, been: <ul style="list-style-type: none"> (i) a material supplier or customer of AVADA or another Group member; or (ii) an officer of or associated, directly or indirectly, with a material supplier or customer; (e) has no material contractual relationship with AVADA or another Group member other than as a Director; (f) is free from any interest and any business or other relationship, which could, or could reasonably be |

perceived to, materially interfere with the Director's ability to act in AVADA's best interests;

- (g) does not have close family ties with any person who falls within any of the categories described in paragraphs (a) to (f) above; and
- (h) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in AVADA's best interests.

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| Listing Rules | means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX. |
| People, Nomination and Remuneration Committee | means the Committee responsible for matters set out in 0. |
| Secretary | means the company secretary of AVADA. |
| Securities | means all securities issued by the Company of any kind including ordinary shares, preference shares, debentures, convertible notes and options. |
| Security Trading Policy | means the Company's policy regarding trading AVADA Securities, adopted by the Company and updated from time to time. |
| Senior Executives | means the senior management team (excluding Board members), being those who have the opportunity to materially influence the integrity, strategy and operation of AVADA, and its financial performance. |
| Shareholder | means a holder of shares in AVADA. |
| Whistleblower Policy | means the Company's policy regarding disclosure, investigation and resolution of suspicious activity or wrongdoing which is set out in the document, adopted by the Company and updated from time to time. |

1.2. Interpretation

Concepts not defined in this document which are given a meaning in the Corporations Act have the same meaning as in the Corporations Act.

2. Board Charter

2.1. Introduction

This charter outlines AVADA's corporate governance practices relating to the Board and its functions. If, however, the Constitution is inconsistent with this document, the Constitution prevails to the extent of the inconsistency.

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2.2. Guiding principle

Each Director has an overriding responsibility to act in good faith and the best interests of AVADA. In assessing AVADA'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 Group; and
- (c) other people or entities with whom the Group deals.

2.3. Functions of the Board

The Board's broad functions are to:

- (a) chart strategy and set financial targets for the Group;
- (b) monitor the implementation and execution of strategy and performance against financial targets;
- (c) appoint and oversee the performance of executive management; and
- (d) generally take an effective leadership role in relation to the Group.

2.4. Responsibilities of Board

The Board's responsibilities include:

- (a) providing leadership and setting the strategic objectives of the Group;
- (b) determining the Board's composition, including appointment and retirement or removal of the Chairman and Deputy Chairman (if applicable);
- (c) oversight of the Group (including its control and accountability systems);
- (d) appointing and removing the CEO or equivalent;
- (e) if appropriate, ratifying the appointment and the removal of Senior Executives;
- (f) reviewing, ratifying and monitoring the risk management framework and setting the risk appetite within which the Board expects management to operate;
- (g) approving and formulating company strategy and policy and monitoring Senior Executive's implementation of strategy;
- (h) approving and monitoring operating budgets and major capital expenditure;
- (i) overseeing the integrity of the Group's accounting and corporate reporting systems, including the external audit;
- (j) monitoring industry developments relevant to the Group and its business;
- (k) developing suitable key indicators of financial performance for the Group and its business;
- (l) overseeing the Group's compliance with its sustainability, governance and social (ESG) obligations;

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- (m) overseeing the Group’s corporate strategy and performance objectives developed by management;
- (n) overseeing the Group’s compliance with its continuous disclosure obligations;
- (o) approving the Group’s remuneration framework;
- (p) monitoring the overall corporate governance of the Group (including its strategic direction and goals for management, and the achievement of these goals);
- (q) oversight of Committees; and
- (r) ensuring that an appropriate framework exists for relevant information to be reported by Senior Executives to the Board, including but not limited to notifying the Board where:
 - (i) circumstances dictate that the Company needs to operate outside of the current risk appetite set by the Board;
 - (ii) there has been any material breach of the Group’s Code of Conduct;
 - (iii) there have been any material incidents reported under the Group’s Whistleblower Policy; and
 - (iv) there have been any material incidents of bribery or corruption reported under the Group’s Anti-Bribery and Anti-Corruption Policy.

The responsibilities listed are matters which the Board specifically reserves for itself and does not limit the Board’s overall duties and responsibilities. The Board may delegate consideration to a Committee of the Board specifically constituted for the relevant purpose.

2.5. Board Composition

- (a) The Board is appointed by the Shareholders. The expectations required of non-executive Directors together with other matters relevant to their role will be set out in a Letter of Appointment.
- (b) The Board, on the recommendation of the People, Nomination and Remuneration Committee, will review the size and composition of the Board with a view to having an appropriate mix of skills.
- (c) The Chairman:
 - (i) subject to paragraph 1.1(d), should be an Independent Director;
 - (ii) is responsible for:
 - (A) the Board’s leadership and for its efficient organisation and conduct;
 - (B) managing the conduct and frequency of Board meetings, approving Board agendas and ensuring adequate time is available for discussion of all agenda items, including strategic issues;
 - (C) representing the views of the Board to the public; and

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- (D) presiding over meetings of the Board and general meetings of shareholders; and
- (iii) should facilitate the effective contribution by all Directors and promote constructive and respectful relations between Directors, and between the Board and the Senior Executives.
- (d) If the Chairman is not an Independent Director, the Board should appoint a Deputy Chairman who can act when the Chairman is conflicted.
- (e) The Board should comprise:
 - (i) members with a broad range of experience, expertise, skills and contacts relevant to the Group and its business;
 - (ii) no less than three Directors, half of whom should be non-executive Directors;
 - (iii) more than four Directors if the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified; and
 - (iv) a majority of non-executive Directors or at least two of the Directors being Independent Directors.
- (f) Each year:
 - (i) a Board skills matrix setting out the mix of skills and diversity that the Board currently has and/or is looking to achieve in its membership; and
 - (ii) details of the length of service of each Director,
 will be included in the Company's annual report or on the Company's website.

2.6. Independence of Directors

- (a) The Board must regularly assess whether each Director remains an Independent Director in the light of the interests disclosed by them.
- (b) A Director should only be characterised as an Independent Director if they are free of any interest, position, association 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 any other person.
- (c) Each Director must give the Board all relevant information for this purpose.
- (d) 0 sets out the guidelines adopted by the Board to assist them in assessing the independence of Directors. The independence of Directors will be regularly reviewed (at least annually) and will be disclosed in the annual report.
- (e) If the Board decides a Director has ceased to be an Independent Director, this must be immediately disclosed to the market.

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- (f) Any change to a Director's status as an independent Director will be disclosed and explained to the market in a timely manner. Any decision by the Board not to change a Director's status as an independent Director despite the Director having an interest, position or relationship of the type described in 0 will be disclosed and explained in the Company's annual report or on the Company's website.

2.7. Appointment and retirement of Directors

- (a) With guidance from the People, Nomination and Remuneration Committee and, where necessary, external consultants, the Board will identify candidates with appropriate skills, experience, expertise and diversity in order to discharge its obligations effectively and to maintain the necessary mix of expertise on the Board.
- (b) The People, Nomination and Remuneration Committee assesses nominations of new directors against a range of criteria including the candidate's background, experience, gender, professional skills, personal qualities and whether their skills and experience will complement the existing Board.
- (c) The terms of the appointment of all new Directors will be set out in a letter of appointment for non-executive Directors and service contract for executive Directors, together with any other documents that the Company considers relevant to their appointment.
- (d) The material terms of any employment, service or consultancy agreement with a Director or the CEO should be disclosed in accordance with the Listing Rules.
- (e) All Directors, excluding the CEO (if a Director), must retire in accordance with the Constitution and the Listing Rules. Retiring Directors may, in these circumstances, be eligible to be re-elected.

2.8. Background checks

All material information in the Board's possession, relevant to whether or not to elect or re-elect a Director, should be provided to Shareholders including:

- (a) in the case of a new Director, any materially adverse information revealed by checks undertaken; and
- (b) for all Directors, details on the independence of the Director.

2.9. Performance review and evaluation of Directors

- (a) With the assistance of the Nomination and Remuneration Committee:
 - (i) the performance of the Board as a group, its Committees and its individual Directors is to be assessed each year. In particular, all Directors seeking re-election at an AGM will be subject to a formal performance appraisal to determine whether the Board (in the absence of those Directors seeking re-election) should recommend their re-election to shareholders; and

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- (ii) the performance of the Chairman is to be assessed each year by a suitable non-executive Director.
- (b) The Board will disclose in the Company's annual report or on the Company's website whether a performance evaluation of the Board, its committees and its Directors was undertaken in accordance with the above process during or in respect of the relevant year.

2.10. Training and advice for Directors

- (a) Directors must be provided with information about the Group before accepting the appointment and complete an induction course after their appointment, in each case appropriate for them to discharge their responsibilities.
- (b) On an ongoing basis and subject to the approval of the Chairman, Directors may request and be given access to continuing education in relation to the Group, extending to its business, the industry in which it operates, and other information required by them to discharge their responsibilities, at AVADA's expense.
- (c) Each Director may seek independent legal or other professional advice at AVADA's expense. Prior approval from the Chairman is required but may not be unreasonably withheld or delayed.

2.11. Board meetings

- (a) Board meetings should occur not less than eight times in any year, with additional meetings as required.
- (b) Any Director is able to convene a meeting of the Board by contacting the Chairman or the Secretary.
- (c) The Chairman and the Secretary will co-ordinate the Board agenda. Papers for Board meetings must be circulated, if practical, at least five days before the relevant meeting.
- (d) Draft minutes of Board meetings (for consideration and approval at the next relevant meeting) should be circulated within ten business days following each meeting.
- (e) In addition to the above meetings, the non-executive Directors will meet at least twice each financial year, in the absence of executive Directors and management, for a private discussion of management issues.
- (f) Where deemed appropriate by the Chairman, meetings, approvals and recommendations may occur by written resolution or conference call or other electronic means of audio or audio-visual communication or as otherwise permitted by AVADA's Constitution.

2.12. Secretary

The Board appoints and removes the Secretary. All Directors are to have direct access to the Secretary (and vice versa).

The Secretary is accountable to the Board, through the Chairman, for all matters to do with the proper functioning of the Board and is responsible for:

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- (a) advising the Board and any Committee on governance matters;
- (b) monitoring this policy and any Committee charter, to ensure they are followed;
- (c) communications with the ASX about listing rule matters, including making disclosures to the ASX in accordance with AVADA's Disclosure Policy;
- (d) coordinating the timely completion and despatch of:
 - (i) Board and Committee papers; and
 - (ii) draft minutes of Board and Committee meetings, that accurately capture the business of the meeting, for approval at the next meeting; and
- (e) with the guidance of the Nomination and Remuneration Committee, and the assistance of the Board, organising the induction of new Directors and facilitating the ongoing professional development training for Directors.

2.13. Committees

- (a) 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 out the scope of its responsibility and relevant administrative and procedural arrangements.
- (b) The chairman of each Committee has the responsibility, based on the work of the Committee, to advise and make recommendations to the Board on matters falling within the scope of the Committee's responsibilities.
- (c) The Board may also delegate specific functions to ad hoc Committees.
- (d) The Board will, at least once each year, review the membership and charter of each Committee.
- (e) The Committees established at the date of this document are:
 - (i) Audit & Risk Management (**ARM**) Committee (charter set out in 0); and
 - (ii) People, Nomination and Remuneration Committee (charter set out in 0).

2.14. Conflict of Interests

The Board will agree, and Board members will abide by the following:

- (a) declaring their interests as required under the Corporations Act, ASX Listing Rules and general law requirements;
- (b) unless the Directors (without a relevant personal interest) agree otherwise, where any Director has a material personal interest in a matter, the Director will not be permitted to:
 - (i) receive any papers;
 - (ii) take part in any discussion concerning the matter; or
 - (iii) vote on the matter,

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at a Director's meeting where that matter is being considered; and

- (c) Directors must not:
 - (i) allow personal interests to conflict with the interests of the Company; or
 - (ii) disclose confidential information, unless the disclosure has been authorised by the Company or is required by law.

All Directors will abide by the terms of the Securities Trading Policy.

2.15. Business risks

- (a) The risks of AVADA's and 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 ARM Committee for review.
- (b) Corrective action should be taken as soon as reasonably practicable after adoption of an action plan.
- (c) The Group Operating Policies and Procedures should contain risk management procedures that aim to address risk management issues including professional indemnity claims.
- (d) The Senior Executives should take steps to ensure staff are provided with, and comply with, the Group Operating Policies and Procedures.
- (e) The Board should regularly review (at least annually) and approve the Group Operating Policies and Procedures.
- (f) The Board should record in its minutes as and when Senior Executives have reported on the effectiveness of AVADA's management of its material business risks.

2.16. CEO and CFO responsibilities

- (a) Each of the CEO and CFO must state in writing to the Board, when providing it with financial reports, that AVADA's financial reports:
 - (i) have been properly maintained;
 - (ii) present a true and fair view, in all material respects, of AVADA's financial conditions and operational results;
 - (iii) are in accordance with relevant accounting standards; and
 - (iv) are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
- (b) The CEO is also primarily responsible for:
 - (i) responsibility for the effective leadership of the management team;
 - (ii) the implementation of the Company's strategic objectives and instilling and reinforcing its values;

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- (iii) the day-to-day management of the Company's operations (including operating within the values, code of conduct, budget and risk appetite set by the Board);
- (iv) oversight of the provision by senior management to the Board of accurate, timely and clear information on the Company's operations (including information about the Company's financial performance, compliance with material laws and regulations and any conduct materially inconsistent with the Company's values or Code of Conduct);
- (v) acting as the contact for media and comment, including analyst briefings and responses to shareholder questions; and
- (vi) keeping the Board informed of other relevant matters.

2.17. Access

- (a) The Company's external auditors will allow all issues to be raised directly with the Board.
- (b) Board members are not to be constrained or impeded from disclosing information to the external auditors in accordance with statutory and regulatory requirements and must be available to meet with the external auditors on request after notification to the Chair of the Board.
- (c) Each Director shall have the ability to consult independent experts where that Director considers it necessary to carry out their duties and responsibilities. Any costs incurred as a result of the Director consulting an independent expert will be borne by the Company, subject to the estimated costs being approved by the Chair of the Board, in advance, as being reasonable.

2.18. Confidentiality

All proceedings of the Board, including Board papers, presentations and other information provided to the Board, must be kept confidential except as required by law or as agreed by the Board.

3. Standing rules for Committees

3.1. Application

These rules apply to, and are deemed incorporated into the charter of each Committee, except to the extent of any conflict with any of its terms.

3.2. Composition

- (a) Each Committee must consist of a majority of non-executive Directors, who are also Independent Directors.
- (b) The chairman of each Committee must be an Independent Director, but not the Chairman.
- (c) Each Committee must consist of no fewer than three members.
- (d) Committees are appointed by the Board and serve as the Board determines.

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- (e) The Board will appoint one member of any Committee to act as its Chairman.

3.3. Role

Each Committee's role is to improve the efficiency of the Board through accepting the delegation of tasks and performing them in a forum where they can receive greater attention to detail than would be practical solely at Board level.

3.4. Proceedings

- (a) Any meeting may be held by means of conference call or any other means of communication that may, under the Corporations Act or the Constitution, be used for Board meetings.
- (b) The quorum for a Committee meeting is any two members.
- (c) A Director may attend (but not vote at) a meeting of a Committee of which that Director is not a member, as the Committee decides, for discussion of any particular matter relevant to that Director or about which that Director may have a special contribution to make.
- (d) A Committee may delegate any specific task to one of its members or to a sub-committee consisting of two or more of its members.
- (e) The procedural provisions of this paragraph 3.4 apply to any sub-committee of a Committee.

3.5. Reporting

After a Committee meeting, each Committee must give a written report and a copy of the minutes to the Board.

3.6. Secretary

The Secretary has responsibility for coordinating the completion and despatch of Committee agenda and briefing materials, as well as draft minutes of meetings of each Committee for approval at the next meeting.

3.7. Performance review and evaluation

- (a) The Board procedures for performance review and evaluation apply to Committees¹ subject only to the role of the Chairman being taken by the chairman of the Committee and any other necessary changes.
- (b) Review and evaluation are conducted against the Board Charter and any criteria the Chairman decides.
- (c) The Committee must report to the Board on the conduct and results of its review and evaluation and make recommendations it considers appropriate.

¹ See paragraph 2.9.

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4. Shareholder communication policy

4.1. Methods of communication

Information is provided to shareholders through:

- (a) releases to the ASX in accordance with the Company's continuous disclosure obligations;
- (b) the Company's website;
- (c) the Company's annual and half-yearly results announcements;
- (d) the Company's Annual Report; and
- (e) the general meetings of the Company.

4.2. ASX releases

- (a) The Company will make announcements to the ASX in accordance with the ASX Listing Rules, the Corporations Act and the policies and procedures set out in the Company's Continuous Disclosure Policy.
- (b) All announcements made to the ASX will be available to shareholders under the investor relations section of the Company's website or under the company announcements section of the ASX website.

4.3. Company's website

- (a) The Company's website is the primary medium for providing information to all shareholders and other stakeholders. It has been designed to enable information to be accessed in a clear and readily accessible manner.
- (b) The Company's website includes, among other things:
 - (i) statements lodged with the ASX;
 - (ii) annual and half-yearly results announcements;
 - (iii) notices of general meetings (including the AGM);
 - (iv) the Annual Report for the Company;
 - (v) the Chairman and CEO's addresses to the AGM;
 - (vi) presentations and briefings given to analysts or other significant groups;
 - (vii) share price information and dividend history; and
 - (viii) general information on the Company and its activities.
- (c) The corporate governance section of the Company's website includes information about the Company's constitution, board and committee charters and other policies that are likely to be of interest to shareholders and other stakeholders.

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4.4. Company's annual and half-yearly results announcements

- (a) The Company announces its financial results twice a year through an announcement to the ASX pursuant to the ASX Listing Rules and are available to shareholders in the same manner as other ASX announcements.
- (b) Results announcements provide a summary of the Company's overall performance for the period, including profit, operating revenue, earnings per share and details of investor dividends.
- (c) Following the release of the Company's half-year and full-year results, the Company may conduct investor and analyst briefings at which the media, institutional investors and stockbroking analysts will be briefed and given an opportunity to ask questions of the Company's senior management.

4.5. Annual report

- (a) The Company's full annual report is released to the ASX and made available on its website. The annual report contains key financial, operating and corporate information about the Company in a concise format.
- (b) Unless the share registry has been notified otherwise, the annual report will be emailed to all shareholders (to the email address recorded on the Company's share register where such an email address has been provided) prior to the AGM within the timeframe set by the Corporations Act. Upon request to the Company's share registry, a hard copy of the annual report can be mailed to shareholders.

4.6. Investor relations program

- (a) The Company will implement an investor relations program which may include a number of scheduled and ad hoc interactions with institutional investors, private investors, sell-side and buy-side analysts and the financial media.
- (b) These activities provide an opportunity for analysts to speak directly with senior management and ask questions. These briefings are governed by strict protocols that ensure comments are restricted to information previously disclosed to the market or information which is not price sensitive.
- (c) Supporting information, such as management presentations are made available online on the Company's website.

4.7. General meetings

- (a) General meetings are an important forum for two-way communication between the Company and its shareholders. They provide an opportunity for informed shareholder participation.
- (b) Where practicable, the Company will consider the use of technological solutions for encouraging shareholder participation at meetings (which may include, for example, live webcasting of meetings, holding meetings across multiple venues linked by live

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telecommunications and hybrid meetings). The Company will also allow shareholder questions to be submitted in advance of the meeting.

- (c) Shareholders are encouraged to attend or, if they are unable to attend, to vote on the resolutions proposed by appointing a proxy or using any other means included in the notice of general meeting.
- (d) The Company seeks to ensure that the form, content and delivery of notices of general meetings comply with the Company's constitution, the Corporations Act and the ASX Listing Rules. The notice of meeting and proxy form will be distributed to all shareholders prior to any general meeting in the timeframe set by the Corporations Act and will be available on the Company's website.

4.8. Annual General Meeting

- (a) The Company holds its AGM for shareholders each year. The principles in Section 4.7 will apply to the AGM.
- (b) At the AGM, shareholders will have the opportunity to hear directly from the Board and the CEO on the Company's performance and objectives, ask questions on important issues, and vote on Board proposals.
- (c) The Company's auditor attends its AGM and is available to answer any questions regarding the conduct of and any issues arising from the audit or the preparation and content of the auditor's report.

4.9. Use of Electronic Communication and Other Technology

- (d) The Company encourages shareholders to receive Company information electronically by registering their email address online with the Company's share registry. The Company also provides shareholders with the option to send communications to the Company electronically.
- (e) Other methods of communication are also available to shareholders, including telephone and mail. The Company may consider the use of other reliable technologies as they become widely available.

5. Who to contact

Any person who has any queries about this document should contact the company secretary.

6. Review

The Board will review this document to ensure it remains relevant to the current needs of AVADA and the Board. This document may be amended by resolution of the Board.

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Schedule 1

Audit & Risk Management (ARM) Committee charter

1 Standing rules

The standing rules for Committees² apply to the ARM Committee subject to this charter.

2 Purpose of ARM Committee

The overall object of the ARM Committee is to assist the Board in fulfilling the Board's responsibility for oversight of the quality and integrity of the accounting, auditing, financial reporting, operational, governance, compliance, social and environmental risks of the Company including:

- (a) exercising oversight over the compliance of the financial statements with the requirements of the Corporations Act and any other mandatory professional reporting requirements, statutory reporting requirements, making informed decisions regarding accounting and regulatory policies, judgements, practices and disclosures;
- (b) reviewing the scope and results of internal reviews and external audits;
- (c) assessing the effectiveness of the Company's internal controls;
- (d) focusing appropriate attention on the risk management framework and policies of the Company; and
- (e) overseeing and reviewing the Company's compliance management framework and compliance with applicable laws.

3 Members of the ARM Committee

- 3.1 The ARM Committee comprises of only non-executive directors.
- 3.2 The ARM Committee must consist of no fewer than three members.
- 3.3 The chairman of the ARM Committee must be an Independent Director but not the Chairman.
- 3.4 The Board will appoint one member of the ARM Committee to act as its chairman. If the chairman is not present at committee meeting, the members must elect another member to act as the chairman for that meeting.
- 3.5 Members should be financially literate and the ARM Committee chairman should have significant and relevant accounting experience.
- 3.6 The current members of the ARM Committee will be disclosed in the Company's annual report or on the Company's website.

² See section 8.

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4 Scope of responsibilities – General

The ARM Committee is responsible for:

- (a) monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by the Secretary about those requirements;
- (b) reviewing material transactions which are not a normal part of the Group’s business;
- (c) reviewing the nomination, performance and independence of the external auditors, including recommendations to the Board for the appointment or removal of any external auditor and the rotation of the audit engagement partner;
- (d) reviewing, considering and advising the Board on:
 - (i) the external auditor’s annual plan;
 - (ii) the fees proposed by the external auditor, including whether an effective, comprehensive and complete audit can be conducted for the fee; and
 - (iii) the annual review of the qualification, expertise, resources and performance of the external auditor;
- (e) liaising with the external auditors and monitoring the conduct, scope and adequacy of the annual external audit;
- (f) reviewing management processes supporting external reporting, including the appropriateness of the accounting judgments or choices made by management in preparing the financial reports and statements;
- (g) confirming that there have been no unjustified restrictions or limitations placed on the external auditor;
- (h) reviewing with management and in conjunction with the external auditor at the completion of the half-yearly review and the annual audit, and advising and making recommendations to the Board on:
 - (i) the Company’s financial statements and related notes (and adoption thereof);
 - (ii) the external auditor’s review or audit (as applicable) of the financial statements and the report thereon;
 - (iii) any significant changes required in the external auditor’s audit plan, including new or proposed accounting practices, principles or developments, disclosure requirements and legislative or regulatory pronouncements and its effect on the external auditor’s audit plan;
 - (iv) any serious difficulties or disputes with management encountered during the course of the review or audit (as applicable); and
 - (v) other matters related to the conduct of the review or audit (as applicable) which are communicated to the ARM Committee;

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- (i) reviewing the significant accounting and financial reporting issues and judgements, including complex or unusual transactions made in connection with the preparation of the Company's financial statements, interim reports, preliminary announcements and related formal statements;
- (j) reviewing the disclosures in the financial statements;
- (k) reviewing recent regulatory and professional pronouncements and understanding their impact on the financial statements, as advised by the CFO;
- (l) review the Company's financial statements and consider whether they are consistent with information known to ARM Committee members and reflect appropriate accounting principles, standards and regulations;
- (m) advising the Board as to whether it has received a declaration from the CEO and CFO that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively;
- (n) preparing and recommending for approval by the Board the corporate governance statement for inclusion in the annual report or any other public document;
- (o) reviewing external audit reports and monitoring, if major deficiencies or breakdowns in controls or procedures have been identified, remedial action taken by management;
- (p) reviewing any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor;
- (q) monitoring the effectiveness, objectivity, and independence of the external auditors. This may include obtaining statements from the external auditors on relationships between them and the Company;
- (r) considering and making recommendations to the Board on the need to implement any internal audit processes (whether as part of management or through third party resources) as part of the Company's internal controls;
- (s) considering and reviewing with the external auditor:
 - (i) the adequacy of the Company's internal controls in the context of the external audit work undertaken;
 - (ii) the adequacy of the Company's financial regulatory reporting to corporate regulators as appropriate, including its view on the quality and acceptability of the Company's accounting principles and policies; and
 - (iii) any related significant findings and recommendations of the external auditor and management's response thereto.

- (t) considering and reviewing with management and the CFO:
 - (i) any matters that might have a significant impact on the financial condition or affairs of the Company;
 - (ii) the adequacy of the process for reporting and responding to significant control weaknesses including the adequacy and results of management's investigations and follow ups and whether there are unresolved issues as reported by the external auditor;
 - (iii) the adequacy of the Company's internal controls;
 - (iv) any difficulties encountered in the course of reviews, including any restrictions on the scope of the work or access to required information;
 - (v) any instances of significant internal and external fraudulent activity identified and responses thereto; and
 - (vi) the findings of any auditor observations.
- (u) reviewing any other reports the Company issues that relate to the ARM Committee's responsibilities;
- (v) meeting privately with the following persons or parties at least annually in separate sessions to discuss any matters that the ARM Committee or these parties believe should be discussed privately with the ARM Committee:
 - (i) CFO; and
 - (ii) the external auditors;
- (w) performing or undertaking on behalf of the Board any such other tasks, investigations or actions as the Board may from time to time authorise;
- (x) reviewing and considering the resolution of complaints regarding accounting, internal accounting controls or auditing matters from employees and the process to protect such employees making complaints;
- (y) instituting and overseeing special investigations including consulting with independent experts as needed; and
- (z) reviewing and monitoring compliance with the Code of Conduct.

5 Powers

- 5.1 The ARM Committee has an advisory role, to assist the Board with matters set out in paragraph 3 and does not have any power to commit the Board to any recommendation or decision made by it except:
- (a) for matters relating to the appointment, oversight, remuneration and replacement of the external auditors; and

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(b) if and to the extent that (in other respects) it has express delegated authority from the Board.

5.2 The ARM Committee has unrestricted access to management and to internal audit personnel as well as to the external auditors (with or without management present) to carry out its function.

5.3 ARM Committee members may seek independent professional advice for AVADA related matters at AVADA's expense, subject to the estimated costs being approved by the Chairman, in advance, as being reasonable.

6 Scope of responsibilities - Risk

The ARM Committee has the following duties and responsibilities in respect of risk matters:

- (a) Review, at least annually, the Company's risk management framework (including any significant variations to it) and disclose in the Company's annual report or on the Company's website whether a review has taken place for the relevant reporting period.
- (b) Endorse the Company's risk management framework and oversee its effectiveness, with a view to specifically enabling the timely and effective identification of material risks to the Company.
- (c) Receive and review reports concerning the appropriateness of the risk management framework and approve or vary it as necessary.
- (d) Review and make recommendations to the Board on the Company's overall risk profile and risk appetite as well as the Company's risk profile in each risk area. There should also be a review of:
 - (i) developments in markets in which the Company operates;
 - (ii) the appropriate level of insurance cover that the Company should maintain, including the terms and conditions of any such insurances; and
 - (iii) experience of profits and losses in each risk category to provide confidence that the Company's policy reflects and is consistent with experience.
- (e) Review and approve risk matters requiring Board approval including significant variations to policies, limits and delegations of authority where these have not been reviewed by the Board.
- (f) Review limit and policy breaches to the extent that there are implications for the risk management framework.
- (g) Assess the risk management framework against the expectations of corporate regulators.
- (h) Monitor the Company's work health and safety, and environmental and sustainability practices.
- (i) Oversee investigations of fraud, ethical matters and failure of internal control systems or risk management and compliance frameworks (including matters raised by whistleblowers) and ensure management's proposed responses are acted upon.

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7 Selection of auditors

- 7.1 External auditors are selected according to criteria set by the ARM Committee which include:
- (a) the lack of any current or past relationship with AVADA or with any Senior Executive that could impair, or risk impairing, the independent external view they are required to take in relation to AVADA and the Group;
 - (b) their general reputation for independence, probity and professional standing within the business community; and
 - (c) their knowledge of the industry in which AVADA and the Group operate.
- 7.2 Employees of the external audit partner (including the partner or other principal with overall responsibility for the engagement), should be rotated periodically (at least every five years) to avoid any risk of impairing the independent external view that the external auditors are required to take in relation to AVADA and the Group.

8 Audit planning

- 8.1 The ARM Committee reviews the performance of the external auditors throughout the year.
- 8.2 During each year, the ARM Committee should meet with the external auditor to:
- (a) discuss the external audit plan;
 - (b) discuss any potential significant problems;
 - (c) discuss the impact of proposed changes in accounting policies on the financial statements;
 - (d) review the nature and impact of any changes in accounting policies adopted by the Group during the year; and
 - (e) review the proposed audit fees.
- 8.3 Before the announcement of AVADA's results the ARM Committee should meet with the external auditor to:
- (a) review the pro-forma half-yearly and pro-forma preliminary final report before lodgement of those documents with ASX, and any significant adjustments required as a result of the audit;
 - (b) make the necessary recommendation to the Board for the approval of these documents;
 - (c) review the results and findings of the audit, the adequacy of accounting, financial and operating controls, and monitor the implementation of any recommendations made; and
 - (d) review the draft financial report and the audit report and make the necessary recommendation to the Board for the approval of the financial report.

9 Proceedings

- 9.1 Meetings are held at least three times during each year and more often as required.

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9.2 The external auditor, the CEO and the CFO should be invited to attend meetings, or specific parts of meetings, at the discretion of the ARM Committee.

10 Reporting

The ARM Committee, through the ARM Committee chairman, is to advise and make recommendations to the Board on matters falling within the scope of its responsibilities. Such advice may be in the form of minutes of its meetings, supporting papers, or written or oral reports at Board meetings.

11 Periodic review

The ARM Committee has the responsibility to:

- 11.1 review this charter annually and recommend any proposed changes to the Board for approval; and
- 11.2 conduct a periodic, but at least annual, evaluation of the ARM Committee's performance and the extent to which the ARM Committee has met the objectives set out in this charter.

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Schedule 2

People, Nomination and Remuneration Committee charter

1 Standing rules

The standing rules for Committees³ apply to the People, Nomination and Remuneration Committee subject to this charter.

2 Purpose of the People, Nomination and Remuneration Committee

The People, Nomination and Remuneration Committee's role is:

- (a) to provide appropriate corporate governance by identifying the mix of skills and individuals required in Directors to allow the Board to contribute to the successful oversight and stewardship of the Company and discharge their duties under the law diligently and efficiently;
- (b) to assist the Board and make recommendations to it about the appointment of new Directors (both executive and non-executive) and of the CEO and CFO and, to the extent delegated to it by the Board, other Senior Executives;
- (c) evaluate the performance of the CEO and other Senior Executives; and
- (d) align the Company's remuneration approach with shareholder interests to allow the organisation to attract, motivate and retain its staff to enhance the Company's performance in a manner that supports the long-term financial position and performance of the Company.

3 Members of the People, Nomination and Remuneration Committee

- 3.1 The People, Nomination and Remuneration Committee comprises of only non-executive directors.
- 3.2 The People, Nomination and Remuneration Committee must consist of no fewer than three members.
- 3.3 The chairman of the People, Nomination and Remuneration Committee must be an Independent Director but not the Chairman.
- 3.4 The Board will appoint one member of the People, Nomination and Remuneration Committee to act as its chairman. If the chairman is not present at committee meeting, the members must elect another member to act as the chairman for that meeting.
- 3.5 The current members of the People, Nomination and Remuneration Committee will be disclosed in the Company's annual report or on the Company's website.

³ See section 8.

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4 Scope of responsibility

4.1 The People, Nomination and Remuneration Committee is responsible for:

- (a) developing suitable criteria (about experience, expertise, skills, qualifications, contacts or other qualities) for Board candidates;
- (b) identifying individuals who, because of their experience, expertise, skills, qualifications, contacts or other qualities, are suitable candidates for appointment to the Board or to any relevant management position;
- (c) reviewing and disclosing a Board skills matrix setting out the mix of skills and diversity that the Board currently has and/or is looking to achieve in its membership;
- (d) reviewing processes for succession planning for the Board, CEO and other Senior Executives;
- (e) recommending individuals for consideration as Board candidates by the Board;
- (f) undertaking the appropriate checks on candidates for the Board (including checks concerning the person's character, qualifications and experience, education, criminal record, bankruptcy history and independence as a director) and providing that information, where material and relevant, to shareholders before recommending a candidate for appointment or re-election;
- (g) recommending to the Chairman procedures for the proper supervision of the Board and management;
- (h) ensuring that the Company enters into a written agreement with each new Board member which sets out the terms of their appointment;
- (i) ensuring appropriate induction and continuing professional development programs are implemented for Directors;
- (j) ensuring that the performance of each Director, and of all members of senior management, is reviewed and assessed each year in accordance with procedures adopted by the Board;
- (k) ensuring that any Diversity profile identified by the Board is a factor that is taken into account in the selection and appointment of qualified employees, senior management and Board candidates;
- (l) reporting to the Board as necessary to facilitate compliance with the Diversity Policy;
- (m) reporting to the Board annually on the Diversity profile of employees of the Company, including the relative proportion of men and women in the workforce at all levels of the Company (and their relative levels of remuneration) and the extent to which the Company is progressing towards achieving its measurable objectives set out in the Company's Diversity Policy;

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- (n) assisting the Board and making recommendations to it about the appointment of new Directors (both executive and non-executive) and of the CEO and CFO and, to the extent delegated to it by the Board, other Senior Executives;
- (o) reviewing and evaluating market practices and trends for remuneration relevant to the Group;
- (p) reviewing and making recommendations to the Board for the Group’s remuneration policies and framework (**Remuneration Policy**), including on the following:
 - (i) assessing the Remuneration Policy and compliance with legal and regulatory requirements;
 - (ii) reviewing material changes to the Remuneration Policy, including remuneration structure, retention and termination policies for all staff;
 - (iii) reviewing material changes to the recruitment policies, procedures and remuneration approach for the Company’s Senior Executives (including the CEO);
 - (iv) recommending performance-based (at-risk) components of remuneration and targets for the Company’s financial performance as they relate to incentive plans, including equity-based payments;
 - (v) recommending an appropriate clawback policy (as part of, or in conjunction with, the Remuneration Policy) to enable the Company to clawback performance-based remuneration for the Company's senior management (including the CEO) in the event of serious misconduct or a material misstatement in the Company's financial statements; and
 - (vi) the allocation of the directors’ fee pool to non- executive Directors;
- (q) overseeing as appropriate, in conjunction with the Chairman, the performance of the CEO and CFO and other Senior Executives and non-executive Directors;
- (r) reviewing and making recommendations to the Board for the remuneration packages of the CEO and CFO and other Senior Executives and of non-executive Directors and ensuring that the packages appropriately reflect the different roles and responsibilities of non-executive Directors compared with Senior Executives;
- (s) preparing any report for the Board that may be required under applicable legal or regulatory requirements about remuneration matters;
- (t) reviewing the Group’s reporting and disclosure practices for the remuneration of Directors and Senior Executives;
- (u) reviewing, making recommendations to the Board on remuneration by gender (and other Diversity benchmarks) and reporting to the Board as necessary to facilitate compliance with the Diversity Policy; and

- (v) at the direction of the Board, implementing the recommendations of the Remuneration Committee on remuneration by gender (and other Diversity benchmarks), as part of the People, Nominations and Remuneration Committee’s administration of the Diversity Policy.

4.2 The People, Nomination and Remuneration Committee will assist:

- (a) the Board to assess the performance of the Board as a group, its Committees and its individual Directors each year. In particular, all Directors seeking re-election at an AGM will be subject to a formal performance appraisal to determine whether the Board (in the absence of those Directors seeking re-election) should recommend their re-election to shareholders;
- (b) the Board to assess the performance of the CEO and other Senior Executives each year; and
- (c) a suitable non-executive Director to assess the performance of the Chairman each year.

4.3 Remuneration includes not only monetary payments (salary and wages) but all other monetary and non-monetary compensation for services and benefits including:

- (a) fringe benefits;
- (b) directors’ and officers’ and other insurance arrangements;
- (c) retirement benefits;
- (d) superannuation; and
- (e) equity participation, and other incentive programs.

5 Remuneration reporting

5.1 The People, Nomination and Remuneration Committee has the responsibility to:

- (a) propose the remuneration report to the Board;
- (b) liaise with the external auditors in relation to its review; and
- (c) make recommendations to the ARM Committee that the remuneration report of the Company is in accordance with the Corporations Act, including complying with relevant accounting standards, the Corporations Regulations and other mandatory professional reporting requirements.

5.2 The People, Nomination and Remuneration Committee chairman and/or the Chairman will also engage with shareholders and proxy advisers in advance of the AGM.

6 Engagement of remuneration consultants

The People, Nomination and Remuneration Committee must approve the engagement of 'remuneration consultants' when obtaining any 'remuneration recommendation' in respect of 'Key Management Personal' (as those terms are defined in the Corporations Act. The People, Nomination and Remuneration Committee chairman is responsible for liaising on behalf of the

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People, Nomination and Remuneration Committee with any remuneration consultants advising the People, Nomination and Remuneration Committee and any 'remuneration recommendation' must be provided directly to the People, Nomination and Remuneration Committee or the chairman.

7 Vacancies and new appointments

7.1 When a Board vacancy arises for any reason or if the Board decides a new Director is required with particular skills, the People, Nomination and Remuneration Committee must prepare a list of candidates considering:

- (a) what may be appropriate for AVADA and the Group;
- (b) the skills, expertise and experience required;
- (c) the mix of those skills, expertise and experience with those of the existing Directors; and
- (d) the perceived compatibility of the candidates with the Group and with the existing Directors.

7.2 Potential candidates to be appointed as Directors should then be considered by the Board, with advice from an external consultant if the Board considers this to be appropriate. Persons appointed in this manner continue in office only until the next AGM and are then eligible for election.

8 Access

8.1 The People, Nomination and Remuneration Committee has unrestricted access to all personnel and other parties (internal and external), including the external auditors, legal advisers or independent remuneration advisers.

8.2 People, Nomination and Remuneration Committee members may seek independent professional advice for AVADA related matters at AVADA's expense, subject to the estimated costs being approved by the Chairman, in advance, as being reasonable.

9 Powers

The People, Nomination and Remuneration Committee has an advisory role to assist the Board with the matters set out in paragraphs 4 and 7. The People, Nomination and Remuneration Committee cannot commit the Board to any recommendation or decision made by it but may consult independent external experts to perform its function, and charge the costs to AVADA or another Group company.

10 Proceedings

10.1 Meetings are held at least once a year and more often as required.

10.2 Representatives of management and other employed personnel may be invited to attend meetings, or specific parts of meetings, at the discretion of the People, Nominations and Remuneration Committee.

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If an executive Director is involved in deliberations of the People, Nomination and Remuneration Committee, they must not be involved in deciding their own remuneration and must have regard to any indirect conflict in setting the remuneration of other Senior Executives.

11 Reporting

The People, Nomination and Remuneration Committee, through the People, Nomination and Remuneration Committee chairman, is to advise and make recommendations to the Board on matters falling within the scope of its responsibilities. Such advice may be in the form of minutes of its meetings, supporting papers, and written or oral reports at Board meetings.

12 Periodic review

The People, Nomination and Remuneration Committee has the responsibility to:

- 12.1 review this charter annually and recommend any proposed changes to the Board for approval; and
- 12.2 conduct a periodic, but at least annual, evaluation of the People, Nomination and Remuneration Committee's performance and the extent to which the People, Nomination and Remuneration Committee has met the objectives set out in this charter.

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Schedule 3

Guidelines of the Board of Directors – Independence of Directors

Section 2.66 of the Corporate Governance 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, a Director will be considered to be 'independent' if the Director is not a member of management (ie, is a non-executive Director) unless the Director:

- is, or has been, employed in an executive capacity by the Company 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 and employee incentive scheme of, the Company;
- 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 Company 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 in the last three years and officer or employee of, professional adviser to, a substantial security holder of the Company;
- has close family ties with any person who falls within any of the categories described above; or
- has been a Director for such a period that their independence may have been compromised.

The Board will consider thresholds of materiality for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles, to determine whether the interest, position or relationship might interfere, or reasonably be perceived 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 Company as a whole rather than in the interests of an individual security holder or any other person.

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