

Director Independence Policy

Policy Statement

Activ is committed to ensuring that a majority of members of the Board (including the Board Chair) are independent and that a majority of Board committee members are similarly independent. However, if it is not considered by the Board appropriate for Activ to have an independent Board Chair, Activ will follow the procedures set out in the Board Charter.

This policy has been developed having regard to the commentary on independence in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (ASX Principles and Recommendations).

The independence of directors will be assessed by the Board pursuant to this policy and the Board will have discretion to determine if a director is independent at any point in time.

Principles

Activ will:

- Describe how the Board will assess the independence of each director;
- Identify the information concerning, interests, positions and relationships of, a director which will be taken into account in making an assessment of independence; and
- Outline the disclosure to stakeholders on the assessment of the independence of directors and the basis of that assessment.

Factors to Assess Independence

Factors relevant to assessing the independence are, for example, where a 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 (e.g. 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

Activ Policy

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- 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 [...member...] or other party."

An assessment of independence involves compliance with the Procedure for Director Independence Assessment (AQuA: 2273) and Board Members Conflict of Interest including consideration of actual, potential and perceived conflict of interest (AQuA: 142).

Disclosure of Independence

The Board will disclose the process to assess independence and the status of independence of each Director in the annual Corporate Governance Statement.

Definitions

The Board will assess the independence of directors with reference to the definition of an independent director set out in the ASX Principles and Recommendations.

A Board director "... should only be characterised and described as an independent director if he or she is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent 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."

Responsibilities and delegations

Scope: This policy applies to Board Directors of Activ (and any spouse, sibling, guardian, child or dependent of any of the preceding people).

Responsibilities: Each Board Director is responsible, and will be held accountable for complying with this policy.

Each Line Manager is responsible, and will be held accountable for ensuring staff, supported employees and customers are familiar with this policy, and have sufficient skills, knowledge and ability to meet the requirements.

All employees will be held accountable for complying with the requirements of the policy.

Activ Policy

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Variations to this Policy: This is a controlled document and any variation to this Policy must be authorised by the Board.

Consultation Governance and Risk Manager, Governance and Nominations Committee.

Policy Context

Relevant standards:

- National Standards for Disability Services
- National Disability Insurance Scheme Practice Standards and Quality Indicators
- ASX Corporate Governance Councils Corporate Governance Principles and Recommendations 4th Edition (ASX Principles and Recommendations) February 2019

Legislation:

- *National Disability Insurance Scheme Act 2013*

Related policies and procedures:

- Board Charter (AQuA: 2022)
- Board Members Conflict of Interest (AQuA: 142)
- Code of Conduct & Ethics Policy (AQuA: 1867)
- Governance and Nominations Committee Terms of Reference (AQuA: 1487)
- Procedure for Director Independence Assessment (AQuA: 2273)

Relevant work instructions, forms, other documents:

- N/A

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