

## **BOARD CHARTER**

The Board's role is to set the strategic direction of the Company, guide and monitor the management of the Company in achieving its strategic plans and oversee overall good governance practice.

### **1. RESPONSIBILITIES OF THE BOARD**

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- (a) appointment of the Managing Director (or equivalent) and the determination of his/her employment terms and conditions including remuneration and termination;
- (b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (c) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (d) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (e) approving the annual, half yearly and quarterly accounts;
- (f) approving material changes to the organisational structure;
- (g) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (h) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with applicable legislation and ASX Listing Rules);
- (i) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (j) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules) (see Section 2 below); and
- (k) meeting with the external auditor, at their request, without management being present.

### **2. PROCEDURE FOR SELECTION, APPOINTMENT AND ROTATION OF EXTERNAL AUDITOR**

- (a) The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as per the recommendations of the Audit and Risk Committee (or its

equivalent). Any appointment made by the Board must be ratified by shareholders at the next Annual General Meeting of the Company.

(b) **Selection Criteria**

(i) Mandatory criteria

Candidates for the position of external auditor of the Company must be able to demonstrate complete independence from the Company and an ability to maintain independence through the engagement period. Further, the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis.

(ii) Other criteria

Other than the mandatory criteria mentioned above, the Board may select an external auditor based on criteria relevant to the business of the Company, such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board.

**3. COMPOSITION OF THE BOARD**

(a) The Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders. The Board has developed a Skills Matrix and the composition of the Board is to be reviewed regularly to ensure the appropriate mix of qualifications, experience and expertise is present.

(b) In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company. In determining new members to the Board the following process shall occur:

(i) The Nominations and Remuneration Committee (or equivalent) evaluates the range of skills, experience and expertise of the existing Board. In particular, the Nominations and Remuneration Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent Directors on the Board.

(ii) A potential candidate is considered with reference to their skills and expertise in relation to other Board members. Appropriate background checks as to a candidate's character, experience, education, criminal record and bankruptcy history will be conducted.

- (iii) If relevant, the Nominations and Remuneration Committee recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next Annual General Meeting;
  - (iv) Formal letters of appointment will be prepared on appointment of a Board member setting out the key terms and conditions relative to the appointment.
- (c) Where practical, the majority of the Board is comprised of independent, non-executive Directors. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with, the exercise of independent judgement. Independent Directors should meet the definition of what constitutes independence as set out in the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (3<sup>rd</sup> Ed.) as set out in Annexure A.
- (d) Directors must disclose their interests. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- (e) Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or actual conflicts of interest. The Board has adopted a Code of Conduct – Director Conflicts, setting out procedures for the Board and its committee to manage conflicts that may arise.
- (f) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- (g) The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Re-appointment of Directors is not automatic and no member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.
- (h) Shareholders shall be informed of the names of candidates submitted for election or re-election as Directors. In order to enable shareholders to make an informed decision regarding the election, the following information shall be supplied to shareholders:
  - (i) biographical details (including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate);
  - (ii) a statement by the Board as to whether it supports the nomination of the proposed candidate(s);

- (iii) details of relationships between the candidate and the Company; and the candidate and Directors of the Company;
  - (iv) Directorships held in other listed entities;
  - (v) particulars of other positions which involve significant time commitments;
  - (vi) the term of office currently served by any Directors subject to re-election; and
  - (vii) any other particulars required by the ASX Listing Rules or law.
- (i) Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Nominations and Remuneration Committee to ensure that they continue to contribute effectively to the Board.

#### **4. THE ROLE OF THE CHAIRMAN**

- (a) Where practical, the Chairman should be an independent, non-executive Director. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- (b) The Chairman must be able to commit the time to discharge the role effectively.
- (c) The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- (d) The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- (e) In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman for that meeting.

#### **5. BOARD COMMITTEES**

- (a) The Board may from time to time, if considered appropriate, establish committees, each with written terms of reference, including:
  - (i) Audit and Risk Committee;
  - (ii) Corporate Governance Committee; and
  - (iii) Nominations and Remuneration Committee.
- (b) The charter of each Board Committee is approved by the Board and reviewed following any applicable regulatory changes.

- (c) The Board will ensure that any Committees are sufficiently resourced and funded to enable them to fulfil their roles and discharge their responsibilities.
- (d) Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- (e) The draft minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following such Committee meeting.
- (f) Where the Board does not consider that the Company will gain any benefit from a particular separate committee, the full Board will carry out the duties that would ordinarily be assigned to that Committee under the written terms of reference for that Committee.

## **6. BOARD MEETINGS**

- (a) There must be two Directors present (in person or using any technology approved by the Directors, as permitted by the Company's Constitution) at a meeting to constitute a quorum.
- (b) The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.
- (c) Non-executive Directors may confer at scheduled times without management being present.
- (d) The minutes of each Board meeting shall be prepared by the Company Secretary, reviewed by the Chairman and circulated to Directors as soon as practicable after each meeting.
- (e) The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.
- (f) Minutes of meetings must be included in the Company's minute book within one month of the meeting and approved at the next Board meeting.
- (g) Further details regarding Board meetings are set out the Company's Constitution.

## **7. THE COMPANY SECRETARY**

- (a) When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committee and between senior executives and non-executive Directors.
- (b) The Company Secretary is to facilitate the induction of new Directors, in accordance with the Company's Induction and Professional Development Policy.

- (c) The Company Secretary is to facilitate the implementation of Board policies and procedures.
- (d) The Company Secretary is to provide advice to the Board, on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.
- (e) All Directors have access to the advice and services provided by the Company Secretary.
- (f) The Company Secretary is accountable directly to the Board, through the Chairman, on all governance matters to do with the proper functioning of the Board;
- (g) The Board has the responsibility for the appointment and removal of the Company Secretary.

## **8. ACCESS TO ADVICE**

- (a) All Directors have unrestricted access to Company records and information.
- (b) All Directors may consult directly with management and employees as required to enable them to discharge their duties as Directors.
- (c) The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. Subject to the Code of Conduct – Director Conflicts, a copy of any such advice received is to be made available to all members of the Board.

## **9. THE BOARD'S RELATIONSHIP WITH MANAGEMENT**

The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director (or equivalent), including:

- (a) Developing business plans, budgets and strategies for the Board's consideration and, to the extent approved by the Board, implementing these plans, budgets and strategies.
- (b) Ensuring appropriate funding arrangements are in place for Company activities.
- (c) Operating the Company's businesses and operations within the parameters set by the Board from time to time and keeping the Board informed of all material developments relating to the businesses and operations.
- (d) Where proposed transactions, commitment or arrangements exceed the parameters set by the Board, referring the matter to the Board for its consideration and approval.

- (e) Identifying and managing operational and other risks and, where those risks could have a material impact on the Company's businesses and operations, formulating strategies for managing these risks for consideration by the Board.
- (f) Managing the Company's current financial and other reporting mechanisms to ensure that these mechanisms are functioning effectively to capture all relevant material information on a timely basis.
- (g) Implementing the Company's internal controls; establishing procedures for monitoring these controls; and ensuring that these controls and procedures are appropriate and effective.
- (h) Taking all reasonable steps to ensure that the Board is provided with accurate and sufficient information regarding the Company's operations on a timely basis and, in particular, that the Board is made aware of all relevant matters relating to the Company's performance (including future performance), financial condition, operating results and prospects and potential material risks so that the Board is in an appropriate position to fulfil its corporate governance responsibilities; and
- (i) Implementing all policies, procedures and codes approved by the Board.

In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

## **10. PERFORMANCE REVIEW**

The Board will arrange an annual performance review of the Board and any Board Committees (if applicable) in accordance with the Company's Performance Evaluation Policy.

The Board will oversee the performance evaluation of the Managing Director on an annual basis, in accordance with the Company's Performance Evaluation Policy.

## **ANNEXURE A – DEFINITION OF INDEPENDENCE**

A Director should only be characterised and described as independent if he or she is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issue before the Board and to act in the best interests of the entity and its security holders generally.

Examples of interests, positions, associations and relationships that might cause doubts about the independence of a Director include if the Director:

- (a) is, or has been in the previous three years, employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- (b) is, or has within the last three been, a partner, Director or senior employee of a provider of material professional services to the Company or another group member;
- (c) is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the Company or another group member, or an officer of, or otherwise associated with someone with such a relationship;
- (d) is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- (e) has a material contractual relationship with the Company or another group member other than as a Director;
- (f) has close family ties with any person who falls within any of the categories described above; or
- (g) has been a Director of the Company for such a period that his or her independence may have been compromised.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.