

## 1 INTRODUCTION

- 1.1 The Board has adopted this charter to set out the framework by which the Board will exercise its powers and discharge its responsibilities through principles of good corporate governance, ethical standards, and compliance with applicable laws.
- 1.2 This charter, as well as those committee charters adopted by committees established by the Board, are designed to establish a strong culture of corporate governance, which should enhance the performance of the Company, and in turn increase shareholder value.
- 1.3 This Board will regularly review this charter, as well as those committee charters adopted by committees established by the Board, to ensure it continues to meet the needs of the Board, the Company, and its shareholders.

## 2 ROLE & OBJECTIVE OF THE BOARD

- 2.1 The role of the Board is to:
  - Represent, serve and protect the interests of shareholders.
  - Develop, implement, oversee, and review the strategies and performance of the Company;
  - Optimise Company performance and build sustainable shareholder value within an effective corporate governance framework of internal controls and risk management;
  - Ensure shareholders and stakeholders are regularly and effectively informed of developments affecting the Company, as well as the ongoing performance of the Company; and
  - Ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.

## 3 KEY RESPONSIBILITIES OF THE BOARD

- 3.1 Demonstrate leadership, act in good faith, using care and diligence, and ensure high standards of integrity.
- 3.2 Plot the objectives, directions, and strategies of the Company.
- 3.3 Regularly monitor senior executive's implementation of those objectives and strategies.
- 3.4 Appoint, evaluate and remove the Chief Executive Officer and Company Secretary.
- 3.5 Review and consider succession planning of the CEO, Chairman, the Chief Financial Officer and Company Secretary, as well as succession of directors generally.
- 3.6 Approve and monitor major capital expenditure, capital management and acquisitions and divestitures.
- 3.7 Approve the annual financial statements and annual reports, including monitoring the systems and frameworks under which those are prepared.

- 3.8 Approve and monitor compliance with systems of financial reporting, continuous disclosure, corporate governance, legal requirements and ethical standards.
- 3.9 Approve the appointment, evaluation or removal of senior executives, the terms and conditions of their employment, as well as monitoring and evaluating their remuneration and ongoing performance.
- 3.10 Ensure sufficient audit arrangements are in place, and are in compliance with all legal requirements.
- 3.11 Issuing securities in the Company and establishing any incentive plans for directors and/or staff.
- 3.12 Monitor and assess senior executive's achievement of budgets, targets, and objectives, and ensure appropriate resources are available to senior executives for those purposes, including financial, technical, and human resources.
- 3.13 Monitor and require compliance with all laws and regulatory bodies.
- 3.14 Monitor the Company's continuous disclosure policy and procedures.
- 3.15 Protect and enhance the Company's financial position through reviewing, ratifying and monitoring systems of risk management and internal control.
- 3.16 Regularly monitor the Company's control and accountability systems.
- 3.17 Approve the following:
  - Annual budget;
  - Business plan;
  - Corporate policies & procedures;
  - Major capital expenditure;
  - Significant business acquisitions or Divestments;
  - Significant changes to organisational structure;
  - Public statements; and
  - Key aspects of remuneration and financial incentives for executive directors and other senior executives.
- 3.18 Delegate an appropriate level of authority to a committee, an individual director, or management; subject to the ultimate responsibility for carrying out their responsibilities and discharging their duties continuing to remain with the directors in accordance with the *Corporations Act 2001 (Cth)*.

## 4 BOARD MEMBERSHIP

### Composition

- 4.1 The Board should at all times comprise either an equal amount or majority of non-executive directors, as assessed as satisfying the established selection criteria for independence set out below.
- 4.2 In assessing the size and composition of the Board, the Board shall review the range of skills necessary and available, and while essential to have an equal amount

or majority of non-executive directors, ensure the Board contains a mix of executive directors who have a strong and detailed understanding of the core elements of the Company's businesses.

4.3 The Chairman of the Company shall always be an independent non-executive director.

#### **Selection Criteria & Appointment**

4.4 The Board shall develop selection criteria and procedures for the recommendation and identification of candidates for appointment as directors, with those criteria including:

- Skills, expertise and experience;
- Highest standards of personal integrity;
- Excellent judgement and an ability to make informed decisions within time constraints;
- Professional credibility;
- Capacity to think strategically;
- Capability to demonstrate vision and leadership;
- Strong communication skills;
- Strong inter-personal skills;
- Team orientated;
- Lack of conflicts of interest; and
- Capability to devote the necessary time and commitment to the role.

4.5 The Board shall diligently apply the criteria developed and the procedures to identify prospective candidates for appointment as a director.

4.6 The Board shall seek independent expert advice where appropriate to advise on the suitability of candidates.

4.7 The Board should undertake appropriate background and credit checks before appointing a person, or putting forward a candidate for election as a director.

4.8 Any adverse or material information in the Board's possession relevant to whether or not to elect or re-elect a director should be provided to shareholders.

4.9 Consider and evaluate the recommendations of Directors or management on the elevation and appointment of executive officers from within the Company.

### **5 DIRECTOR INDUCTION & EDUCATION**

5.1 The Board shall devise and implement induction procedures for new directors, which allow them to make informed decisions and actively participate in Board discussions and resolutions as quickly as possible.

5.2 All directors shall participate in, and comply with, these induction procedures.

5.3 All new directors shall be provided with all necessary background information on the Company's activities, as well as the Board's current or ongoing consideration of strategic, financial and other matters. This may also

include briefings with the CEO or other senior executives.

5.4 All directors should periodically visit all sites and premises of the Company, to ensure they maintain an up to date understanding of the Company's operations.

5.5 All directors shall have access to continuing education programs developed and approved by the Board from time to time, as well as ongoing continuing professional education programs to enhance their Board skills and industry knowledge applicable to the Company.

### **6 DIRECTOR INDEPENDENCE**

6.1 In considering whether a director is independent, the Board is to have regard to:

- The ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations"; and
- Any other information that the Board considers relevant.

6.2 Should the Board, or any director individually, become aware of any information which may impact their independence, this information must be immediately disclosed to the Chairman and the Company Secretary.

6.3 The Board shall regularly monitor and assess the independence of each director to ensure that the Board continues to comply with this charter.

6.4 The independence of each Director will be disclosed in the annual report and where the Board determines a director has ceased to be independent this will be immediately disclosed to the market

### **7 ROLES AND POSITIONS**

#### **Chairman**

7.1 The Board shall elect as Chairman one of the non-executive directors, as well as identify an alternative director to act as Deputy-Chairman in the event the Chairman is unable to fulfil their duties at any given time.

7.2 The responsibilities of the Chairman include:

- Leadership and management of the Board, including ensuring the Board and all Board meetings function effectively;
- Setting the agenda for the Board meetings, including liaising and consulting with the CEO and Company Secretary;
- Overseeing the provision of information from management to the Board, including ensuring the adequacy of that information, and requiring and allowing sufficient time for preparation of written reports or presentations when appropriate;
- Maintaining, controlling and facilitating constructive contributions and debate from all directors, and ensuring that all issues are given appropriate consideration;

- Ensuring conclusions and decisions are reached, are understood by all directors, and are appropriately recorded; and
- Representing the Board to the shareholders, and managing and conducting the Company's annual general meeting.

**Chief Executive Officer**

- 7.3 The Chief Executive Officer is appointed and removed by the Board, and the position may be held by an executive director.
- 7.4 The responsibilities of the CEO include:
- Leadership and management of the day to day operations of the Company;
  - Acting as a conduit between the Board and the rest of the organisation, and report to the Board on any issues arising out of the Company's commercial activities;
  - Translating the Company's objectives and strategic plan into the operations of the business; and
  - Day to day responsibility for:
    - Compliance with the Company's compliance framework and continuous disclosure obligations;
    - Compliance with all laws and regulations applicable to the Company's activities;
    - Implementing and managing the Company's systems of risk management and internal control;
    - Implementing and managing the Company's policies and procedures; and
    - Evaluating the performance of all staff and management.

**Company Secretary**

- 7.5 The Company Secretary is appointed and removed by the Board.
- 7.6 All directors must have access to the Company Secretary.
- 7.7 The Company Secretary is accountable to the Board, through the Chairman.
- 7.8 The Company Secretary is responsible for:
- coordinating all Board business, including agendas, Board papers, minutes, communication with regulatory bodies including ASIC and the ASX, and all statutory filings;
  - providing advice to the Board and any committee on governance matters;
  - monitoring this policy and any Committee charter, to ensure they are followed; and
  - assisting with the organisation and conduct of the induction and professional development of Directors.

**Committees**

- 7.9 The Board may establish committees to assist it with meeting its responsibilities.
- 7.10 For each committee the Board must appoint a chairman and adopt a charter clearly documenting the role and

responsibilities relevant to the composition and administration of the committee.

- 7.11 Where any decision-making power is delegated by the Board to a committee, this must be specified by the Board in the committee charter.
- 7.12 The Chairman of each committee shall be a non-executive director and the Board shall select members of each committee based on which directors and senior executives are appropriate for the role.
- 7.13 Each committee must report to the Board as set out in the committee charter, but at least annually.
- 7.14 The Board shall as a minimum establish the following committees:
- Remuneration & Nominations Committee; and
  - Audit & Risk Committee.

**8 BOARD MEETINGS**

- 8.1 The Board shall meet regularly, and hold scheduled meetings a minimum of at least ten times each year.
- 8.2 The non-executive directors should meet at least twice each year for a private discussion of management issues.
- 8.3 Unscheduled Board meetings may be called:
- When requested by a director or the Chairman;
  - With reasonable notice; and
  - In consultation with the Chairman
- 8.4 All reports and papers due to be submitted to scheduled meetings of the Board or committees, are to be provided to all directors at last one week prior to the relevant meeting.
- 8.5 Directors will use all reasonable endeavours to attend Board meetings in person.
- 8.6 Draft minutes of Board meetings (for consideration and approval at the next relevant meeting) should be circulated within ten business days following each meeting.

**9 BUSINESS RISKS**

- 9.1 The risks of the Company'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 Audit & Risk Committee for review.
- 9.2 Corrective action should be taken as soon as reasonably practicable after adoption of an action plan.
- 9.3 The Company's operating policies and procedures should contain risk management procedures that aim to address risk management issues including professional indemnity claims.

- 9.4 The senior managers should take steps to ensure staff are provided with, and comply with, the Company's operating policies and procedures.
- 9.5 The Board should regularly review (at least annually) and approve the Company's operating policies and procedures.
- 9.6 The Board should record in its minutes as and when senior managers have reported on the effectiveness of the Company's management of its material business risks.

## 10 COMMUNICATION WITH SHAREHOLDERS

- 10.1 The Company's continuous disclosure obligations should be a standing item on the agenda for each Board meeting.
- 10.2 Directors must promptly provide details of any matter within their knowledge that might require disclosure to the market under the continuous disclosure obligations.
- 10.3 The annual report must be distributed to all shareholders in accordance with the requirements of the *Corporations Act 2001* (Cth) and the ASX Listing Rules.
- 10.4 The Board should encourage the full participation of shareholders at the annual general meeting and at other general meetings to ensure a high level of accountability and identification with the Company's strategy and goals (which includes considering the use of webcasting and direct voting mechanisms for appropriate meetings).
- 10.5 Company announcements must be made in a factual, timely, clear, and objective manner, and include any information material to decisions of shareholders and potential investors in the Company.
- 10.6 Information concerning the Company, including copies of announcements made through the ASX and the annual report and half yearly report, should be made available to shareholders and prospective investors on the Company's website.

## 11 SELF ASSESSMENT & EVALUATION

- 11.1 The Board shall regularly, but at least annually:
- review the skills and expertise present on the Board to ensure the mix of skills are sufficient to both achieve the objectives of the Company, and discharge the Board's duties and responsibilities;
  - conduct a performance evaluation of itself, comparing its performance against the roles, responsibilities and objectives of this charter;
  - identify and set goals and objectives of the Board for the following year; and
  - identify improvements which could be made to the roles, responsibilities and objectives of this charter.

## 12 CONFLICTS OF INTEREST

- 12.1 All directors must ensure that the interests of the Company and its shareholders are put first, and that nothing may, or may be perceived to, put any director's interest before the best interests of the Company or its shareholders.
- 12.2 Should a director feel they have, or may be perceived to have a conflict of interest, or a potential conflict of interest, they should:
- Inform the Board or the Chairman, in advance where possible; and
  - Ensure they are absent from any discussion and/or decision on that matter.

## 13 OTHER DIRECTORSHIPS

### Executive Directors

- 13.1 Executive directors must not accept any appointment as a director or an officer of any other Company (excluding related parties of the Company) without the prior written permission of the Board.

### Non-Executive Directors

- 13.2 All non-executive directors must inform both the Board and the Chairman prior to accepting an appointment as a director or an officer of any other Company (excluding related parties of the Company).
- 13.3 Before accepting any other appointment, a non-executive director must consider and advise the Board whether:
- The appointee Company is in competition with the Company;
  - Any conflicts, or perceived conflicts of interest may exist;
  - Continuing to remain a director of the Company complies with the policies of the new appointee Company;
  - They can continue to adequately discharge their duties and commitments to the Company, in light of the requirements of the new appointment; and
  - They can continue to act in the best interests of the Company's shareholders and stakeholders.

## 14 RETIREMENT FROM THE BOARD

### Executive Directors

- 14.1 Executive directors, who cease to be employed by the Company, must resign from the Board immediately.
- 14.2 Resignation in accordance with the above clause, does not preclude a previous executive director from subsequently standing for appointment as a non-executive director.

## 15 INDEPENDENT ADVICE

- 15.1 The Board may access independent advice, with the cost to be met by the Company, where the Board considers it necessary.
- 15.2 An individual director may access independent advice, with the cost to be met by the Company, where:
- The advice directly relates to a matter concerning their obligations and responsibilities to the Company; and
  - The advice received is subsequently distributed to all directors.

## 16 CODES OF CONDUCT

- 16.1 The Board shall adopt a code of conduct, as well as other policies which may cover areas such as anti-discrimination, diversity, workplace health & safety, whistle blower protection, and general Company policies & procedures.
- 16.2 These codes of conduct and policies set out the minimum standards of behaviour for both directors and employees, and all directors must comply with these codes of conduct and policies at all times.
- 16.3 The code of conduct reinforces the Company's desire to encourage directors and employees to report unlawful or unethical behaviour.

## 17 DEALING IN COMPANY SHARES AND SECURITIES

- 17.1 Directors must at all times comply with:
- The Company's securities trading Policy;
  - Rules and requirements of the ASX; and
  - The *Corporations Act 2001* (Cth).

## 18 CONFIDENTIALITY

- 18.1 Directors will be exposed to highly confidential information as part of discharging their duties.
- 18.2 All directors agree to keep all proceedings of Board and committee meetings, and contents of Board papers and management reports, strictly confidential at all times.
- 18.3 Any director who breaches this confidentiality shall be expected to resign immediately.

## 19 REVIEW

- 19.1 The Board will review this charter regularly, to ensure it continues meet the expectations of shareholders and developing best practices.