

## **1. BOARD CHARTER**

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### **1.1 Objective**

The Board has the following overall responsibilities:

- (a) guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable.
- (b) the overall operation and stewardship of the Company and each of its subsidiaries;
- (c) in conjunction with management, establishing the direction, strategies and financial objectives for the Company and monitoring the implementation of those strategies; and
- (d) monitoring compliance with regulatory requirements and setting the tone for ethical behaviour and standards.

The Board is committed to protecting and enhancing shareholder values and conducting the Company's business ethically and in accordance with the highest standards of corporate governance.

Each of the Directors, when representing the Company, must act in the best interest of shareholders of the Company and in the best interests of the Company as a whole.

In carrying out the responsibilities and powers set out in this Board Charter, the Board:

- (a) recognises its overriding responsibilities to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- (b) recognises its duties and responsibilities to its employees, customers and the community.

### **1.2 Composition of the Board**

The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

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.

When the size of the Company and its activities are of a sufficient size:

- (a) the majority of the Board should be comprised of non-executive Directors; and
- (b) at least half of the Board will be independent. 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.

At the time of adoption of this Charter the Board acknowledges that only one member of the Board is Independent.

Independent Directors should meet the definition of what constitutes independence as set out in Section 1.6 of the Charter.

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. Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.

Directors must declare immediately to the Board, and the Board will determine whether to declare to the market any loss of independence.

Other than the Managing Director, no member of the Board may serve for more than 3 years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.

Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Nomination and Remuneration Committee to ensure that they continue to contribute effectively to the Board.

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.

### 1.3 **The Role of The Chairman**

The Chairman should be a non-executive Director.

The Managing Director should not be the Chairman of the Company during his term as Managing Director or in the future.

The Chairman must be able to commit the time to discharge the role effectively.

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.

The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.

In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman for that meeting.

### 1.4 **Board Committees**

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its stewardship it makes use of committees.

To this end the Board has established an Audit and Risk Management Committee which carries out its duties in line with the Audit and Risk Management Committee Charter.

The Board will establish a Nomination and Remuneration Committee and such other special purpose committees as deemed appropriate from time to time for specific purposes.

Due to the size and development phase of the Company, the Board does not currently have a separate Nomination and Remuneration Committee. All matters pertaining to nomination and/or remuneration are dealt with by the full Board in accordance with the Nomination and Remuneration Committee Charter and by obtaining independent advice if required.

The Board will continue to assess the requirement for and benefits of establishing separate committee as the Company's operations develop.

#### 1.5 **Board Meetings**

There must be two Directors present at a meeting to constitute a quorum.

The Board will schedule at least 4 formal Board meetings a year and hold additional meetings, including by telephone conference calls, as may be required.

Non-executive Directors may confer at scheduled times without management being present.

The minutes of each Board meeting shall be prepared by the Company Secretary and circulated to Directors after each meeting for approval. Minutes of meetings should be approved within one month of the meeting.

The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.

#### 1.6 **Director Independence**

A Director is only to be regarded as independent if the Director is independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of the Director's unfettered and independent judgement.

The Board assesses the independence of each director in light of interests disclosed by them.

In determining the independent status of a Director, the Board will consider the ASX Corporate Governance Principle and Recommendations guidance on relationships affecting the independent status of a Director which provide that an independent Director is a non-executive Director (i.e. is not a member of management) who:

- (a) is not a substantial shareholder of the Company (as defined in section 9 of the Corporations Act);
- (b) within the last 3 years has not been employed in an executive capacity by the Company;
- (c) within the last 3 years has not been a material professional adviser or material consultant to the Company;
- (d) is not a material supplier or customer of the Company;
- (e) has no material contractual relationship with the Company other than as a Director of the Company.

The assessment of whether a Director is considered independent (both from the perspective of the Company and the Director) is based on the following materiality thresholds:

- (a) payments made by the Company to the Director or any of his associated entities for the provision of goods and/or services does not exceed 10% of the annual gross expenditure of the Company; or
- (b) payments received by the Director for the provision of goods and/or services to the Company does not exceed 25% of the annual income or business turnover of the Director or his associated entities.

#### **1.7 Division of Responsibility Between The Board And Senior Management**

The Board is responsible for setting the strategic direction for the Company, establishing goals for management and monitoring the achievement of these goals.

The responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and any executive Directors.

The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director.

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

#### **1.8 Measurement of The Board's Performance**

The Board shall undertake an annual performance evaluation of itself that:

- (a) Compares the performance of the Board with the requirements of this Policy.
- (b) Sets forth the goals and objectives of the Board for the upcoming year.
- (c) Effects any improvements to this Policy deemed necessary or desirable.
- (d) Performs such other functions as prescribed by law.

The performance evaluation shall be conducted in such manner as the Board deems appropriate.

#### **1.9 Access To Advice**

All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.

All Directors may consult management and employees as required to enable them to discharge their duties as Directors.

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. A copy of any such advice received is to be made available to all members of the Board.