



## **CORPORATE GOVERNANCE POLICIES**

### **Board Charter**

#### **1 BOARD SIZE, COMPOSITION, INDEPENDENCE DIVERSITY AND RE-ELECTION**

In accordance with the Company's constitution the minimum number of Directors will be 3 and the maximum number of Directors will be 10.

Ideally the board will be comprised of:

- A majority of independent non-executive directors;
- a diverse and appropriate range of skills, experience and expertise;
- directors who can understand and confidently deal with current and emerging business issues affecting the Company and sector in which it operates;
- directors who can effectively review and challenge the performance of management and exercise independent judgement.

While the Company will ultimately aim to have a majority of independent non-executive directors this may not always be possible particularly while the Company's operations are in the development and initial commercialisation stage. The Company will continually assess the composition of the board as its activities evolve and grow.

In determining candidates for the Board, the board will evaluate the mix of skills, experience, expertise and diversity of the existing Board. In particular, the board will seek to identify the particular skills and diversity that will best increase the Board's effectiveness. Consideration will also be given to the balance of independent directors. Any appointment made by the Board will be subject to ratification by shareholders at the next general meeting.

Each director, other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting. Re-appointment of directors is not automatic.

#### **2 BOARD RESPONSIBILITIES**

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders. The specific responsibilities of the Board include:

- approving the Company's statement of values;
- in conjunction with management, establishing the policies, strategies and financial objectives for the Company and monitoring the implementation of those policies, strategies and financial objectives;
- monitoring compliance with regulatory requirements and corporate governance policies including with respect to ethical behaviours and standards;
- appointment, evaluation, rewarding and if necessary the removal of the Managing Director and Company Secretary;
- satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- reviewing the Company's Risk Management Framework at least annually to satisfy itself that it continues to be sound;
- approving the Company's remuneration framework and ensuring it is aligned with the Company's purpose, values, strategic objectives, and risk appetite;
- monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company including the reviewing and approving of annual and bi-annual budgets;
- monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available;
- reviewing and ratifying systems of risk management (for both financial and non-financial) and internal compliance and control, and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
- monitoring the Group's medium term capital and cash flow requirements;
- satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
- to ensure that appropriate external audit arrangements are in place and operating effectively;
- overall corporate governance of the Company, including conducting regular reviews of the balance of responsibilities within the Company to ensure division of functions remain appropriate to the needs of the Company;
- monitoring and ensuring compliance with all of the Company's legal obligations, particularly those obligations relating to the environment and occupational health and safety;
- ensuring that each Director and senior executive enters into a written agreement setting out the appointment terms with the individual personally (except where a bona fide

- professional services firm is being engaged on an outsourced basis, in which case, the agreement may be with that entity);
- undertaking appropriate checks (including as to the person's character, experience, education, criminal record and bankruptcy history) before appointing a director or senior executive;
  - procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
  - preparing and maintaining a Board skills matrix setting out the measurable mix of skills that the Board currently has. The Company will disclose this matrix in, or in conjunction with, its Annual Report; and
  - monitoring reporting to shareholders to ensure it is in a timely and effective manner.

### **3 BOARD COMMITTEES**

While at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it may make use of committees.

### **4 MANAGEEMNT**

Responsibility for the day-to-day operation and administration of the Company is delegated by the Board to the Managing Director. The Board will ensure that the Managing Director and the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the Managing Director and the management team.

While there is a clear division between the responsibilities of the Board and management, the Board is responsible for ensuring that management's objectives and activities are aligned with the Company's values and risk appetite set by the Board.

### **5 THE CHAIRPERSON**

The Chairperson is responsible for:

- leading the Board;
- facilitating effective contribution of all directors and promoting constructive and respectful relations among the directors and between the Board and management;
- approving board agendas and ensuring adequate time is available for discussion of all agenda items, including strategic issues;
- representing the views of the Board to the public; and
- presiding over meetings of the Board and general meetings of shareholders.

### **6 THE MANAGING DIRECTOR**

The roles of the Chairperson and Managing Director should not be combined except in particular circumstances, in particular where the size of the Company necessitates the combining of the roles and is approved by the Board.

The Managing Director's duties are to:

- have overall responsibility for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategies set by the Board. In carrying out his/her responsibilities, the Managing Director must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Group's financial condition and operational results;
- devote the whole of his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
- be accountable for planning, coordinating and directing the operations of the Company;
- promote the interests of the Company; and
- faithfully and diligently perform the duties and exercise the powers consistent with the position of Managing Director of the Company as assigned by the Board.

In fulfilling his or her duties, the Managing Director:

- reports directly to the Board;
- provides prompt and full information to the Board regarding the conduct of the business of the Company; and
- complies with reasonable directions given by the Board.

## **7 COMPANY SECRETARY**

The Company Secretary supports the effectiveness of the Board by monitoring that Board policy and procedures are followed, and by coordinating the completion and dispatch of Board agendas, minutes, appropriate registers and briefing papers.

The Company Secretary

- is responsible for the day to day operations of the Company Secretary's office, including the administration of Board and committee meetings, overseeing the Company's relationship with its share registry and lodgements with the ASX, ASIC and other regulators;
- is responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX in accordance with the Continuous Disclosure Policy;
- supports the effectiveness of the Board by monitoring that Board policy and procedures are followed and co-ordinating the completion and despatch of Board agendas and briefing papers; and
- is accountable to the Board through the Board Chair, on all matters to do with proper functioning of the Board.

All Directors have access to the advice and services provided by the Company Secretary.

## **8 Conflicts of Interest**

If a potential material conflict of interest or conflict of duty arises, the Director concerned will advise the Board Chair prior to any Board meeting at which the conflicted matter is to be discussed. The Director will not receive the relevant Board papers and will not be present or participate in the Board meeting while the relevant matter is considered unless the other Directors approve that Director's participation in the deliberation and voting on the relevant issue in accordance with the Corporations Act 2001 (Cth). Any potential conflict must be recorded in the Board minutes.

## **9 ACCESS TO ADVICE**

Directors may obtain independent professional advice at the Company's expense on matters arising in the course of their Board duties, after obtaining the Board Chair's approval. Whenever practicable, the advice must be commissioned in the joint names of the director and the Company, and where appropriate a copy of any such advice should be provided to and for the benefit of the entire Board.

## **10 BOARD EVALUATION**

The Chairperson has the overall responsibility for evaluating the Board, any committees established and, when appropriate, individual directors deemed on an annual basis.

The annual review may include consideration of the following measures:

- the performance of the Board against the requirements of the Board charter;
- assessment of the performance of the Board as a whole and individual members, including the managing Director over the previous twelve months having regard to the corporate strategies;
- review the Board's interaction with management;
- review the type and timing of information provided to the directors; and
- the composition of the Board.

The method and scope of the performance evaluation will be set by the Chairperson and which may include a Board self-assessment checklist to be completed by each director. The Chairperson may also use an independent adviser to assist in the review.

## **11 FOREIGN DIRECTORS**

If a Director does not speak the language in which corporate documents are written or Board or shareholder meetings are held, the Company will ensure that:

- such documents are provided to a translator nominated by the Director to be translated into the Director's native language; and
- the Director may nominate a translator to be present at all Board and shareholder meetings attended by the Director.