



# BOARD CHARTER

SRG Global Limited (**Company**)

ACN 104 662 259

Adopted by the Board on 11 September 2018

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### Attachment 1

#### Guidelines of the Board of Directors – Independence of Directors

## 1 Introduction

The Board of the Company has adopted this Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws.

This Charter includes an overview of:

- Board composition and process;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board committees.

The Board Charter and the charters adopted by the Board for its standing committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

This Charter is to be reviewed by the Board as required and at least annually.

## 2 Board composition

### 2.1 Board composition and size

- (a) The Board is appointed by the shareholders. non-executive directors are engaged through a letter of appointment.
- (b) The Board, together with the Remuneration & Nomination Committee, determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- (c) It is intended that the Board should comprise a majority of independent non-executive directors and comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- (d) The Board, together with the Remuneration, Nomination and Benefits committee, will review the skills represented by directors on the Board and determine whether the composition and mix of those skills remain appropriate for the Company's strategy, subject to limits imposed by the Constitution and the terms served by existing non-executive directors.

### 2.2 Director independence

- (a) The Board regularly reviews the independence of each non-executive director in light of information relevant to this assessment as disclosed by each non-executive director to the Board.
- (b) The Board only considers directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to

interfere with, the exercise of their unfettered and independent judgment. The Board has adopted a definition of independence that is based on that set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (3rd edition) (see Attachment 1).

- (c) The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight in the Company and its operation and, therefore, an increasing contribution to the Board as a whole. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a director in the context of the overall Board process.

### **3 Board role and responsibilities**

#### **3.1 Board role**

The Board's role is to:

- (a) represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives and reviewing management performance;
- (b) protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- (c) set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- (d) ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

#### **3.2 Board key responsibilities**

The responsibilities/functions of the Board include:

- (a) selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Managing Director (MD);
- (b) contributing to and approving management development of corporate strategy, including setting performance objectives and approving operating and capital budgets;

- (c) reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- (d) appointing the external auditor (where applicable, based on recommendations of the Audit Committee);
- (e) monitoring corporate performance and implementation of strategy and policy;
- (f) approving acquisitions and divestitures, and monitoring capital management;
- (g) monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- (h) developing and reviewing corporate governance principles and policies;
- (i) supporting the Chairman in evaluating, at least annually, the performance of the Board, its committees and individual directors in accordance with any process implemented at the Chairman's discretion; and
- (j) performing such other functions as are prescribed by law or are assigned to the Board.

### **3.3 Risk Management and compliance**

The Board will review the risk management and compliance framework to satisfy itself that it continues to be sound which may include ensuring;

- (a) adequate policies and processes have been designed and implemented to manage identified risks;
- (b) a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and
- (c) proper remedial action is undertaken to address areas of weakness.

The following are intended to form part of the normal procedures for the Board's risk and compliance responsibilities:

- (a) at least annually, reviewing the Company's risk management framework;
- (b) monitoring the adequacy of systems of internal control, management of business risks and asset safeguards;
- (c) evaluating the structure and adequacy of the Group's business continuity plans;
- (d) reviewing risk registers and reports from management and external auditors;
- (e) reviewing the Group's insurance program, having regard to the insurable risks associated with the Group's business;
- (f) reviewing the risk disclosures in the annual report;
- (g) reviewing the procedures the Company has in place to ensure compliance with laws and regulations (particularly those which have a major potential

impact on the Company in areas such as insider trading, continuous disclosure, trade practices, occupational health and safety, and the environment); and

- (h) reviewing the policies and procedures adopted by the Group to ensure compliance with best practice corporate governance standards and ethical standards.

### **3.4 Directors**

- (a) Directors will act at all times with honesty and integrity and will observe the highest standards of ethical behaviour.
- (b) Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.
- (c) Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.
- (d) The Board collectively, and each director individually, has the right to seek independent professional advice, subject to written approval of the Chair.

## **4 Delegation of duties and powers**

### **4.1 Reserved authorities and power to delegate**

Matters which are specifically reserved for the Board or its committees include:

- (a) appointment of a Chair;
- (b) appointment and removal of the MD;
- (c) appointment of directors to fill a vacancy or as an additional director;
- (d) establishment of Board committees, their membership and delegated authorities;
- (e) approval of financial reports, profit guidance and other reports required at law to be approved or adopted by the Board;
- (f) approval of dividends;
- (g) approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- (h) calling of meetings of shareholders; and
- (i) any other specific matters nominated by the Board from time to time.

Outside these matters, directors may delegate their powers as they consider appropriate. However, directors retain ultimate responsibility for the strategy and performance of the Company.

## **4.2 Delegation to management**

- (a) The day-to-day operation of the Company is conducted by, or under the supervision of, the MD as directed by the Board.
- (b) The Board approves corporate objectives for the MD to satisfy and, jointly with the MD, develops the duties and responsibilities of the MD.
- (c) The management team (being the MD and other officers to whom the management function is properly delegated by the MD):
  - (1) is responsible for implementing strategic objectives, plans and budgets approved by the Board; and
  - (2) is accountable to the Board for matters within its delegated authority.
- (d) Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- (e) Directors are entitled to request additional information at any time when they consider it appropriate.

## **4.3 Delegation to committees**

- (a) The Board from time to time establishes committees to streamline the discharge of its responsibilities.
- (b) The Board adopts a formal charter for each standing committee, setting out the matters relevant to the composition, responsibilities and administration of the committee.
- (c) The permanent standing committees of the Board are Audit Committee and Remuneration & Nomination Committee.
- (d) The Board may also delegate specific functions to ad hoc committees on an 'as needs' basis.

# **5 Board process**

## **5.1 Meetings**

- (a) The Board will meet regularly.
- (b) Periodically, non-executive directors will meet without executive directors or management present.
- (c) Directors will use all reasonable endeavours to attend Board meetings in person.
- (d) The Company's Constitution governs the regulation of Board meetings and proceedings.

## **5.2 The Chair**

- (a) The Board will appoint one of its members to be Chair.

- (b) It is intended that the Chair should be a non-executive director.
- (c) The Chair represents the Board to the shareholders and communicates the Board's position.

### **5.3 The Company Secretary**

- (a) The Board will appoint at least one Company Secretary.
- (b) The Company Secretary is accountable to the Board.
- (c) The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.
- (d) All directors will have direct access to the Company Secretary.



## Attachment 1

### Guidelines of the Board of Directors – Independence of Directors

#### Adopted by the Board on 11 September 2018

Part 2 of the Company's Board Charter refers to the 'independence' of Directors.

Without limiting the Board's discretion, the Board has adopted the following guidelines to assist in considering the independence of directors.

In general, directors will be considered to be 'independent' if they:

- (a) are not employed, or been previously employed in an executive capacity by the Company or another group member, and there has been a period of at least 3 years between ceasing such employment and serving on the Board;
- (b) have not within the last three years been a partner, director or senior employee of a provider of material professional services to the Company or another group member;
- (c) have not within the last three years been 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 directly or indirectly someone with, such a relationship;
- (d) are not a substantial shareholder of the Company, or officer of, or otherwise associated directly or indirectly with, a substantial shareholder of the Company;
- (e) have no material contractual relationship with the Company or another group member, other than as a director of the Company;
- (f) do not have close family ties with any person who falls within any of the categories described above;
- (g) have not been a director of the Company for such a period that his or her independence may have been compromised; and
- (h) are free from any interest, business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

#### Materiality

The Board will consider the materiality of the directors' interests, position, association or relationship for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles.

Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- (a) The Board will determine the appropriate base to apply (eg revenue, equity or expenses), in the context of each situation.
- (b) Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the director's ability to act in the best interests of the Company.