

# **Board Charter**

Emperor Range Group Limited **(Company)**

Release 1

Approved by the Board: 26 Nov 2013

## **1. The Board's Objectives**

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- 1.1. This Board Charter (**Charter**) sets out the functions and responsibilities of the Board, which is governed by the Company's Constitution. To the extent of any conflict between the terms of this Charter and the Company's Constitution, the Constitution prevails. This document is intended to provide a framework for good corporate governance.
- 1.2. The primary role of the Board is to represent and serve shareholder's interest by appraising and supervising the Company's strategies, policies and performance. The Board also provides strategic guidance for the Company.
- 1.3. The Board's foremost aim is to preserve and increase shareholder value. The Board must act truthfully, fairly, diligently and in accordance with the law.

## **2. Board Structure and Director Appointment**

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- 2.1. The number of Board members is determined by the Board, subject to the limits outlined in the Company's Constitution. The Board must not have less than three members and should be of a size and composition that is conducive to effective decision making.
- 2.2. Directors should possess the appropriate knowledge and experience. The Board should constitute a combination of skills to meet the Boards responsibilities and objectives. Directors should have demonstrated expertise in their field and have high levels of business and commerce experience generally.
- 2.3. If the Company has a Nomination Committee the appointment of a new member to the Board may only be made following consultation with the Nomination Committee.
- 2.4. The Directors may appoint one or more of themselves to the office of Managing Director for a period, and on the terms as the Directors see fit.

## **3. Independence of Directors**

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- 3.1. The Company endeavours to have a majority of Independent Directors on the Board. The Board must regularly review the independence of each Non-executive Director. Each Director has a duty to disclose any relevant information to the Board regarding their independence. The Board must also give adequate consideration to any relevant information that has been brought to the Board's attention.
- 3.2. A Non-Executive Director will not be regarded as an Independent Director unless that Director:
  - 3.2.1. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company;
  - 3.2.2. within the last three years, or is not currently, employed in an executive capacity by the Company or another group member, or there has been a period of at least three years between ceasing such employment and serving on the board;

- 3.2.3. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- 3.2.4. is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
- 3.2.5. does not have a material contractual relationship with the Company or another group member other than as a Director.

#### **4. Board Proceedings**

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##### **Frequency of Meetings**

- 4.1. The Board should meet on a regular basis, not less than six times a year. Special meetings may be required in addition to scheduled board meetings, however prior notice should be given.

##### **Constitution Compliance and Quorum**

- 4.2. Meetings will be conducted in accordance with the Company's Constitution and relevant laws. Unless stated otherwise in the Company's Constitution, the quorum at Directors meetings will be three Directors present at all times.

#### **5. The Board's Power and Responsibilities**

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##### **Board Key Power and Responsibilities**

- 5.1. The business of the Company is to be managed by or under the direction of the Directors. Directors have all the powers of the Company, limited by the Company's Constitution.
- 5.2. The Board is accountable to the Company's shareholders for the Company's performance. The Board's responsibilities include, but are not limited to:
  - 5.2.1. reviewing and approving strategic direction developed by management;
  - 5.2.2. appraising budgetary and general financial performance;
  - 5.2.3. taking a proactive approach to risk management and to monitor the Company's risk management programmes;
  - 5.2.4. reviewing the Board's performance and assessing the need for new members and sub committees and disclosing such information on a timely basis;
  - 5.2.5. monitoring the Corporate Social Responsibility and the Environmental Responsibility of the Company, having regard to the Company's practices and impact on stakeholders and environment;
  - 5.2.6. giving careful consideration to the external and internal audit reviews and recommendations;

- 5.2.7. assess that major capital and other expenditure, and assessing proposed expenditure when the amount is in excess of management delegation; and
- 5.2.8. actively reviewing the Company's corporate governance and assessing policies and procedures.

## **6. Individual Directors Responsibilities**

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### **General**

- 6.1. Directors must act truthfully, diligently, and transparently and in the best interests of the Company. The Directors must disclose any matters that could be perceived as conflicting with their role as a Director.

### **Legal Obligations of Directors**

- 6.2. All Directors must discharge their duties in good faith. They must act with the highest level of professionalism in regard to commercial decisions and always put the well-being of the Company first. Any potential conflicts of interest, or related party transactions, must be disclosed to the Board, except when permitted by the Corporation Act. Directors must act only within their delegated authority.
- 6.3. Directors have access to senior management and the Company Secretary, to gain access to information. Directors must keep any information that has not been publicly released, Board deliberations or other discussions confidential.
- 6.4. Directors should actively search for, and follow, any other disclosure or practice requirements and recommendations.

## **7. Relationship between the Board and management**

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### **Overview**

- 7.1. The Board delegates the day-to-day management of the Company to the CEO and senior management. However, overall responsibility of the direction, and financial wellbeing of the Company rests with the Board. The Board may request information from the CEO, or other executive/manager, on any issue relevant to the management of the Company.

### **CEO Roles and Responsibilities**

- 7.2. The CEO is charged with the day-to-day management of the operations of the Company and reports to the Board. The overall duties of the CEO include, but are not limited to:
  - 4.2.1 implementing business practices not in opposition with the strategic direction of the Company;
  - 4.2.2 operating the Company in an ethical and sustainable manner and always acting within the delegated authority;
  - 4.2.3 maintaining effective risk management programmes;
  - 4.2.4 appointing senior management and monitoring their performance; and

- 4.2.5 preparing a clear presentation of relevant financial and analytical information for the Board's appraisal.

## **8. Committees**

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- 8.1. The Board is charged with commissioning committees to target specific issues. Each committee will appoint at least one Non-Executive Director. Each committee is responsible for their own meetings, charter and processes, but are responsible to the Board.
- 8.2. The Board can alter the functions of committees as it sees fit.

## **9. Role of the Chairperson and Principal Non-Executive Director**

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### **Role of the Chairperson**

- 9.1. The Chairperson is responsible to the leadership of the Board and effective communication between management and the Board. The Chairperson must act with integrity when executing their duties.
- 9.2. The Directors must elect a Director as Chairperson, and determine the period for which the Director is to hold that position. It is desirable that the Chairperson is an Independent Director.

### **Role of the Principal Non-Executive Director**

- 9.3. In the event the Chairperson is not an Independent Director the Board must elect a Principal Non-Executive Director. The Principal Non-Executive Director must be a Non-Executive Director and, if possible, must also be an Independent Director.
- 9.4. Duties of the Principal Non-Executive Director include, but are not limited to:
- 6.2.1 consulting with the Chairperson on a regular basis on major issues relating to the business;
  - 6.2.2 disclosing to the Board on the outcome of meetings between the Principal Non-Executive Director and the Chairperson;
  - 6.2.3 raising points with the Chairperson that have been brought to the attention of the Principal Non-Executive Director, either from other Independent Directors, or from other sources; and
  - 6.2.4 convening a special meeting if required.

## **10. Company Secretary Appointment and Responsibilities**

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- 10.1. The Board must appoint a least one Company Secretary. The Company Secretary must hold office on the terms and conditions that the board of Directors see fit and will be accountable to the Board. All Directors must have access to the Company Secretary.

## **Responsibilities of the Company Secretary**

10.2. The Company Secretary supports and facilitates the working of the Board. The Company Secretary's responsibilities include, but are not limited to:

10.2.1. the coordination of board meetings and Annual General Meetings.

10.2.2. the preparation of agendas and minutes;

10.2.3. liaising with government departments, other regulatory bodies, and various other external parties;

10.2.4. the research and presentation of information regarding the Corporate Governance and the business environment in which the Company operates; and

10.2.5. assisting in convening a special meetings requested by the Chairperson, Principal Non-Executive Director, or any other Director.

## **11. Review of Charter**

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11.1. An annual review of this Charter must be completed and reported on by the Board. Modification must be made if required. The review must include an analysis of current industry practices, requirements and developments in corporate governance.