



## **Centrepont Alliance Limited**

**ABN: 72 052 507 507**

### **BOARD CHARTER**

#### **1. RESPONSIBILITIES**

1.1 The Board has the overall following responsibilities:

- (a) determining the broad direction, strategies and financial objectives of the Company and overseeing and monitoring the implementation of policies and resources to achieve those strategies and financial objectives; and
- (b) monitor to ensure compliance with legal and regulatory requirements, ethical standards and the Company's constitution.

1.2 The Board has the following specific responsibilities:

- (a) to oversee the Company's control and accountability systems;
- (b) to appoint the Chief Executive Officer (CEO) and the Company Secretary and determine the terms and conditions of their appointment (including remuneration), and to set criteria for, and evaluate their performance;
- (c) to monitor and assess management's performance in carrying out any strategies, meeting any objectives and observing any budgets approved by the Board, and to ensure that sufficient resources are available to management for those purposes;
- (d) to approve and monitor financial and other reporting;
- (e) to monitor the Company's continuous disclosure policy and procedures, and in particular to ensure the Company's Information Disclosure Policy is complied with, and adequately reviewed and updated;
- (f) to ensure that appropriate internal and external audit arrangements are in place and operating effectively;
- (g) to issue any shares or other securities of the Company;
- (h) to approve commitments in excess of discretionary limits that it may have from time to time delegated to the CEO and senior management;
- (i) to approve each of the following:
  - (i) the strategic plan and performance objectives, at least annually;
  - (ii) the budget, at least annually;

- (iii) the remuneration and conditions of service including financial incentives for any Executive Directors, at least annually;
  - (iv) significant changes to organisational structure;
  - (v) the acquisition, establishment, disposal or cessation of any significant business of the Company;
  - (vi) any public statements which reflect significant issues of the Company's policy or strategy; and
  - (vii) the 'Delegations of Authority' policy and any changes thereto.
- (j) to review on a regular and continuing basis:
- (i) senior executive succession planning (in particular for the CEO); and
  - (ii) senior executive development activities.

1.3 In performing the responsibilities set out above the Board should at all times:

- (a) be guided by the objective of maintaining and building the Company's capacity to generate value for shareholders; and
- (b) act in accordance with the duties and obligations imposed upon them by the Company's Constitution and by law.

1.4 The Board may delegate its responsibilities to Committees, in accordance with section 7 below.

## 2. **BOARD MEMBERSHIP**

The Board should comprise of at least 50 per cent non-executive directors who satisfy the criteria for independence stated in section 3 below and who will include the chairman.

## 3. **INDEPENDENCE OF DIRECTORS**

3.1 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.

3.2 In considering whether a Director is independent under section 3.1, the Board is to have regard to:

- (a) the criteria for assessing the independence of a Director in the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" (**Best Practice Recommendations**);
- (b) any information, facts or circumstances that the Board considers relevant; and
- (c) any materiality thresholds, standards or guidelines that the Board may adopt from time to time.

3.3 If a Director is or becomes aware of any information, facts or circumstances which will or may affect that Director's independence, the Director must

immediately disclose all relevant details in writing to the Company Secretary and the Chairman.

- 3.4 The Board will regularly assess the independence of each Director, in light of disclosures made in accordance with section 3.3 to ensure that the Board continues to comprise a minimum of fifty per cent independent non-executive directors and the Company meets developing best practice standards (including the Best Practice Recommendations).

#### **4. CHAIRMAN**

- 4.1 The Directors shall appoint as Chairman of the Board one of the Non-Executive Directors who satisfies the criteria for independence as stated in section 3 above.

- 4.2 The Chairman is responsible for:

- (a) leadership and effective performance of the Board;
- (b) settling the agenda for Board meetings, in consultation with the CEO and Company Secretary;
- (c) overseeing the provision of information by management to the Board, and using reasonable endeavours to ensure the adequacy of that information; and
- (d) arranging regular evaluation of the performance of the Board, Board Committees and all Directors.

#### **5. NON-EXECUTIVE DIRECTORS**

- 5.1 Non-Executive Directors collectively should:

- (a) constructively challenge and contribute to the development of strategy;
- (b) scrutinise the performance of management, particularly in relation to meeting agreed objectives, and monitor the reporting of performance;
- (c) take reasonable and proper steps to satisfy themselves that financial information released to the markets and shareholders is accurate, and that there are adequate and proper financial controls and systems of risk management and that the controls are maintained and the systems robust;
- (d) determine levels of remuneration of executive directors and senior executives, together with the Nominations and Remuneration Committee;
- (e) appoint and, where necessary, remove, the CEO;
- (f) prepare or ratify senior management succession plans;
- (g) review and where appropriate, constructively challenge proposals presented by management; and
- (h) request additional information where they consider that the information supplied by management is inadequate to support informed decision-making.

- 5.2 Non-Executive Directors individually should inform themselves to a reasonable extent about the subject matter of all decisions they are called upon to make as Directors of the Company.
- 5.3 Before appointment, Non-Executive Directors must disclose to the Chairman the nature and extent of their other appointments and activities and, when advising their willingness to accept appointment, demonstrate that they understand what is expected of them, and confirm that they are willing to make the necessary commitments, and will have available the time required, to discharge their responsibilities.
- 5.4 The Board, through the Nominations and Remuneration Committee, should satisfy itself that processes and plans are in place to maintain an orderly succession of appointments to the Board and an appropriate balance of skills.
- 5.5 Non-Executive Directors are expected to maintain the skills required to discharge their obligations to the Company, For this purpose they should undertake continuing professional education to the extent necessary. Requests for approval of professional education courses may be made to the Chairman and where a request is approved, the cost of the course will be met by the Company.

## 6. **MEETINGS**

- 6.1 Board papers should, where possible, be provided to Directors at least 3 days prior to the relevant meeting.
- 6.2 The Board should hold scheduled meetings at least 8 times each year. The Board may at any time, and the Company Secretary must, on the request of:
  - (a) the Chairman; or
  - (b) any Director,convene an unscheduled meeting of the Board on notice that is reasonable in the circumstances. Individual Directors proposing to call meetings should first inform and consult with the Chairman. Urgent decisions, where it is not practical to convene a meeting, may be made by resolution circulated in writing, in accordance with the Company's Constitution, although it is recognised as desirable that the use of circular resolutions should be kept to a minimum.
- 6.3 Board agendas should be settled by the Chairman in conjunction with the CEO and the Company Secretary.

## 7. **BOARD COMMITTEES**

- 7.1 The Board may from time to time establish Committees to assist it in carrying out its responsibilities. For each Committee the Board must establish a charter setting out matters relevant to the composition, responsibilities and administration of the Committee.
- 7.2 The Board shall as a minimum establish the following Committees:

- (a) an Audit and Risk Management Committee; and
- (b) a Nominations and Remuneration Committee.

- 7.3 Any decision-making power delegated to a Committee must be specified by the Board. All policy decisions should be matters reserved for the Board.
- 7.4 The agenda for a Committee meeting should be settled by the Committee's Chairman, with the Company Secretary, and distributed to Committee members with supporting papers sufficiently far in advance of scheduled meetings to permit adequate preparation.
- 7.5 Each Committee must formally report to the Board at least annually. The report should contain all matters relevant to the discharge by the Committee of its role and responsibilities during the period covered by the report. In addition each Committee should report to the board on specific issues as and when required under its Charter.

## 8 **SELF ASSESSMENT**

- 8.1 The Board shall (via the Nominations and Remuneration Committee) undertake an annual performance evaluation of itself that:
- (a) compares the performance of the Board with the requirements of this Charter;
  - (b) identifies any particular goals and objectives of the board for the next year; and
  - (c) identifies any necessary or desirable improvements to Board or Committee Charters.
- 8.2 The method and scope of the performance evaluation will be set by the Board.

## 9 **CONFLICTS OF INTEREST**

- 9.1 A Director must inform the Board or, in advance, the Chairman, if he or she has a conflict or potential conflict of interest in relation to any particular item of business to be considered by the Board. Unless decided otherwise by the other members of the Board, the Director should be absent from discussion and decision on that matter.
- 9.2 Directors must comply strictly with the Corporations Act requirements and Board policy for the avoidance of conflicts.

## 10 **RETIREMENT FROM THE BOARD**

- 10.1 Non-Executive Directors
- (a) Non-Executive Directors are expected to review their membership of the Board from time to time. Taking into account their length of service on the Board, age, qualifications, and experience (in light of

developing best practice standards and the Company's then current policies), together with the other criteria considered desirable for composition of a balanced Board and the overall interests of the Company.

- (b) A Non-Executive Director is expected to resign if the remaining Directors recommend that the Director should not continue in office.

## 10.2 Executive Directors

- (a) An Executive Director must resign from the Board immediately if the Director ceases to be employed by the Company.
- (b) The Nominations and Remuneration Committee may, in exceptional circumstances, recommend that an Executive Director who has resigned in accordance with section 10.2(a) be reappointed to the Board as a Non-Executive Director.

## 11. **OUTSIDE DIRECTORSHIPS**

### 11.1 Non-Executive Directors

- (a) In addition to any review by the Nominations and Remuneration Committee, Non-Executive Directors should continually evaluate their ability to discharge their commitments to the Company, in the light of the other directorships or similar offices they hold.
- (b) Non-Executive Directors must notify the Chairman and Nominations and Remuneration Committee in writing before accepting appointment as a Director of any company (other than the Company or any related body corporate of the Company) or to any similar office. Before accepting the appointment, the Director must have regard to:
  - (i) the best interests of the Company;
  - (ii) the views, wishes and current policies of the Board on multiple directorships;
  - (iii) any current recommendations or policies of the Nominations and Remuneration Committee on multiple directorships; and
  - (iv) best practice standards on multiple directorships.

### 11.2 Executive Directors

An Executive Director shall not accept appointment as a Director of any company (other than the Company or any other related entity of the Company), or to any similar office, without the prior approval of the Board.

## 12 **INDEPENDENT ADVISERS AND GENERAL MATTERS**

- 12.1 A record of Board submissions and papers, and of material presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings, and is accessible to Directors.

- 12.2 New members of the Board should be provided with background material on the Company's business activities and be offered management briefings on strategic, financial and other matters.
- 12.3 Periodic site visits, by all Directors, to aid their understanding of the business of the Company, should be scheduled and coordinated by management. Directors are expected to give priority to attendance at these visits.
- 12.4 The Board may have access to independent advisers where the need arises. If it becomes appropriate for a Director to obtain external professional advice separate from advice obtained on behalf of the Company, that advice should be arranged in consultation with the Chairman, and the advice so obtained should ordinarily be provided to all Directors. The cost of obtaining the advice will be met by the Company.
- 12.5 Deeds are to be entered into between all Directors and the Company recording confirming arrangements for indemnity, insurance and access to Company documents.

### **13 CODES OF CONDUCT**

- 13.1 The Board may from time to time adopt:
- (a) a code of conduct to guide the Directors and promote high ethical and professional standards and responsible decision-making; and
  - (b) a code of conduct which sets out the minimum acceptable standards of behaviour expected of the Directors and employees of the Company and its related bodies and guides those persons in compliance with legal and other obligations to legitimate stakeholders of the Company.
- 13.2 Directors must comply with all codes of conduct adopted by the Board under section 13.1.
- 13.3 As at the date of adoption of this Charter, the Board has:
- (a) adopted the "Code of Conduct" for Directors produced by the Australian Institute of Company Directors (**AICD Code**);
  - (b) subject to the law, endorsed the guidelines accompanying the AICD Code; and
  - (c) adopted the Company's "Code of Conduct".

### **14 DEALING IN SECURITIES OF THE COMPANY**

Directors must comply with the Company's securities trading policies adopted from time to time by the Board. As at the date of adoption of this Charter, the Board has adopted the Centrepoint Alliance Limited "Share Trading Policy".

## **15 INDUCTION PROCEDURES AND CONTINUING EDUCATION**

- 15.1 The Board may, through the Nominations and Remuneration Committee, from time to time establish induction procedures for new appointees to the Board.
- 15.2 Each Director may, with prior written approval, undertake continuing professional education to assist the Director in the proper exercise of powers and discharge of duties as a Director or as a member of a Committee. In the case of a Director other than the Chairman, prior written approval must be obtained from the Chairman. In the case of the Chairman, prior written approval must be obtained from the Nominations and Remuneration Committee.

## **16 ACCESS TO THE COMPANY SECRETARY AND EMPLOYEES**

- 16.1 Each Director has a right of access to the Company Secretary at all times.
- 16.2 Any Director may:
- (a) request the attendance at a meeting of the Board of any employee of the Company or a related body corporate; and
  - (b) subject to the law, have access to any document, report, material or information belonging to the Company or a related body corporate.

## **17 CONFIDENTIALITY**

The Directors acknowledge that all proceedings of the Board and its Committees are strictly confidential and that (without limiting other sanctions) a Director who breaches this confidentiality will be expected to resign from the Board.

## **18 REVIEW OF BOARD CHARTER**

The Board will regularly review this Charter to ensure that it is appropriate to meet the needs of the Company and the Board and to comply with developing best practice standards (including the Best Practice Recommendations).

*Prepared: 16 June 2004  
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