

## BOARD CHARTER

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Status: Final

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### 1.1 General Purpose

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, international best practice and applicable laws.

This Charter includes an overview of:

- (a) Board composition and process;
- (b) the relationship and interaction between the Board and management; and
- (c) the authority delegated by the Board to management and Board Committees.

This Charter is to be reviewed by the Board periodically.

### 1.2 Board composition

#### (a) *Board composition and size*

- (i) The Board determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- (ii) The Board will be of an appropriate size and composition and will possess the requisite skills, commitment and knowledge of the Company and the industry in which it operates to enable it to discharge its duties effectively and to add value.
- (iii) The Board will comprise Directors whom, together, have a broad range of skills, expertise and experience from a diverse range of backgrounds.
- (iv) The Board 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, taking into account the limits imposed by the Constitution and the terms served by existing Non-executive Directors.

#### (b) *Selection of Candidates for Board Appointment*

- (i) The full Board retains the power to nominate and appoint Directors to the Board to fill casual vacancies. Directors appointed as casual vacancies

hold office until the next General Meeting and are then eligible for re-election.

- (ii) The Board has established a Remuneration & Nomination Committee to assist and advise the Board, as so requested by the Board, including in relation to identification of individuals who are qualified to become Board members, any of the matters set out at 1.2(a) above and the diversity issues referred to in section 1.3(a).

**(c) Director independence**

- (i) 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.
- (ii) The Board only considers directors to be independent where they are free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.
- (iii) The Board has adopted guidelines to assist in determining the independence of Non-executive Directors.

## **1.3 Role of the Board**

**(a) Board's role and responsibilities**

The role and responsibilities of the Board include:

- (i) representing and serving the interests of shareholders by overseeing, reviewing and appraising the Company's strategies, policies and performance in accordance with any duties and obligations imposed on the Board by law and the Company's constitution;
- (ii) demonstrating leadership by approving the Company's purpose, statement of values and code of conduct for directors, senior executives and employees and monitoring corporate culture;
- (iii) developing and reviewing corporate governance principles and policies and monitoring compliance with those principles and policies to underpin and instill the desired culture within the Company and reinforce a culture across the Company of acting lawfully, ethically and responsibly;
- (iv) approving the entity's statement of core values;
- (v) reviewing material breaches of the code of conduct and anti-bribery and corruption policy and material concerns raised under the Company's whistleblower policy that call into question the culture of the Company;
- (vi) selecting, appointing and evaluating from the performance of, determining the remuneration of, and planning succession of, the Chief Executive Officer

(CEO);

- (vii) contributing to and approving corporate strategy Management's implementation of Company strategy and promotion of the Company's values;
- (viii) reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance, including reviewing procedures to identify the main financial and non-financial risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- (ix) setting the risk appetite for the Company and validating that the Company is operating with due regard to the risk appetite;
- (x) monitoring and reviewing management processes aimed at ensuring the integrity of financial reporting, financial controls and other reporting;
- (xi) monitoring that Management has formal and rigorous processes in place to validate the quality and integrity of the Company's corporate reporting;
- (xii) developing a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership;
- (xiii) approving the measurable objectives set by the Remuneration & Nomination Committee for achieving gender diversity in the composition of the Board, its senior executives and the workforce generally;
- (xiv) in accordance with the Seven Group Holdings Limited Diversity Policy, reviewing, on an annual basis, the report prepared by the Remuneration & Nomination Committee outlining the relative proportion of women and men on the Board, in senior management positions and in the workforce at all levels of the Group;
- (xv) satisfying itself that the Company's remuneration framework is aligned with the Company's purpose, strategic objectives, values and risk appetite; and
- (xvi) reviewing performance targets for the CEO, considering performance against those targets and determining performance-linked remuneration outcomes for the CEO;
- (xvii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- (xviii) performing such other functions as are prescribed by law or are assigned to the Board.

**(b) Reserved authorities**

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

- (i) appointment of a Chair;

- (ii) appointment and removal of the CEO, having regard to the terms of the CEO's engagement;
- (iii) appointment of directors to fill a vacancy or as an additional Director;
- (iv) establishment of Board Committees, their membership and delegated authorities;
- (v) approval of dividends;
- (vi) approval of annual budget;
- (vii) monitoring capital management and approval of capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- (viii) calling of meetings of shareholders; and
- (ix) any other specific matters nominated by the Board from time to time.

**(c) Directors**

- (i) Directors will act at all times with honesty and integrity and will observe the highest standards of ethical behaviour.
- (ii) Directors will not prioritise their personal interests over the Company's interests.
- (iii) Directors will be expected to participate in induction and orientation programs and any continuing education or training arranged for them from time to time.
- (iv) The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair.

## **1.4 Delegation of duties and powers**

**(a) Relationship with management**

- (i) Subject to oversight by the Board and exercise by the Board of functions which the Board is required by law to carry out, management carries out functions that are delegated by the Board as the Board considers appropriate as well as those functions not specifically reserved to the Board, including those functions and affairs which pertain to the day-to-day management of the operations and administration of the Company.
- (ii) Subject to oversight by the Board, Management is responsible for implementing the policies, business model and strategic objectives approved by the Board.
- (iii) Management is charged with promulgating the Company's values across the organisation.
- (iv) Management must supply the Board with information in a form, timeframe

and quality that will enable the Board to discharge its duties effectively, including concerning the Company's compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of the Company.

- (v) Directors are entitled to request additional information from Management at any time when they consider it appropriate.
- (vi) The Board will regularly monitor the performance of the CEO and senior executive team and where required, provide feedback to and challenge the CEO and senior executives.

**(b) Delegation to Committees**

- (i) The Board from time to time establishes Committees to streamline the discharge of its responsibilities.
- (ii) Each standing Committee adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- (iii) The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.
- (iv) The powers delegated to these Committees are set out in Board resolutions or relevant Charters as applicable.

## **1.5 Board process**

**(a) Meetings**

- (i) The Board will meet regularly.
- (ii) Periodically, Non-executive Directors may meet without Executive Directors or management present.
- (iii) The Company's Constitution governs the regulation of Board meetings and proceedings.

**(b) The Chair**

- (i) The Board will appoint one of its members to be Chair.
- (ii) The Chair represents the Board to the shareholders.
- (iii) The Chair is responsible for leading the Board, facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors, and between the Board and Management.
- (iv) The Chair will approve Board agendas and ensure that adequate time is available for discussion of all agenda items, including strategic issues.

**(c) The Company Secretary**

- (i) The decision to appoint or remove a Company Secretary will be made or approved by the Board.
- (ii) The Company Secretary is accountable to the Board on all matters to do with the proper functioning of the Board.
- (iii) 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.
- (iv) All Directors will have direct access to the Company Secretary.

(d) **Review**

Each year the Board will facilitate a review of the performance of the Board, its Committees and its Directors.

## Attachment 1

### Policy and procedure in relation to the selection and appointment of new directors

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#### **1. Relevant factors**

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness having regard to the Board skills matrix;
  - the existing composition of the Board, having regard to the factors outlined in the Seven Group Holdings Limited Diversity Policy and the objective of achieving a Board comprising Directors from a diverse range of backgrounds;
  - the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other board or executive appointments); and
  - potential conflicts of interest, and independence.
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#### **2. Procedure**

Detailed background information in relation to a potential candidate should be provided to all Directors.

The identification of potential Director candidates may be assisted by the use of external search organisations as appropriate.

Appropriate checks should be undertaken before appointing a Director, or putting forward to shareholders a candidate for election, as a Director.

An offer of a Board appointment must be made by the Chairman only after having consulted all Directors, with recommendations from the Remuneration & Nomination Committee (if any) having been circulated to all directors.

Non-executive Directors are engaged through a letter of appointment.

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Charter updated in August 2019.