

# Board Charter

**Rubicor Group Limited**

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## Board Charter

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### 1. Role of the Board

This Board Charter sets out the principles for the operation of the board of directors (**Board**) of Rubicor Group Limited (**Company**) and describes the functions of the Board. This Board Charter applies to the Company [and its subsidiaries (**Group**)].

The Board is accountable to shareholders for the performance of the Group. The Board must at all times act honestly, conscientiously and fairly in all respects in accordance with the law applicable to the Company and must act in the best interests of the shareholders of the Company and other stakeholders.

This Board Charter and the charters adopted by the Board for the committees to be established by the Board have been prepared and adopted on the basis that corporate governance procedures can add to the performance of the Group and the creation of shareholder value, and help to engender the confidence of the investment market.

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### 2. Responsibilities of the Board

The Board is responsible for the management of the affairs of the Group, including:

**(a) Strategic and financial performance**

- Developing and approving the corporate strategy.
- Evaluating, approving and monitoring the strategic and financial plans and objectives of the Group.
- Evaluating, approving and monitoring the annual budgets and business plans.
- Determining the Company's dividend policy, the operation of the Company's dividend re-investment plan (if any), and the amount and timing of all dividends.
- Evaluating, approving and monitoring major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company.
- Approving all accounting policies, financial reports and material reporting and external communications by the Group.
- Appointing the Chairman of the Company.

**(b) Executive management**

- Appointing, monitoring, managing the performance of executive directors.
- Managing succession planning for the executive directors and such other key management positions which may be identified from time to time.

- Appointing and where appropriate, removing the Chief Executive Officer.
- Ratifying the appointment and, where appropriate, the removal of senior management including the Chief Financial Officer, Chief Operating Officer, Company Secretary and Chief Executive Officers of the Company's major subsidiaries.

**(c) Audit and risk management**

- With the recommendation of the Audit and Risk Management Committee, appointing the external auditor and determining its remuneration and terms of appointment.
- Ensuring that effective audit, risk management and regulatory compliance programmes are in place to protect the Group's assets and shareholder value. Receiving from management assurance of system of risk management and internal control exists and that the system is operating effectively in all material respects in relation to financial reporting risks.
- Approving and monitoring the Group's risk and audit framework, including (but not limited to) systems of risk management and internal compliance and control. Approving and, with the assistance and advice of the Audit and Risk Management Committee, monitoring compliance with the Group's risk and audit policies and protocols and code of conduct.
- Monitoring the Group's operations in relation to, and compliance with relevant regulatory and legal requirements.
- Approving systems for financial, occupational health and safety and other reporting and monitoring the operation of these systems.

**(d) Strategic planning**

- Being actively and regularly involved in strategic planning including the establishment of goals for management of the Company and monitoring the achievement of those goals.
- Ensuring that strategic planning is based on the identification of opportunities and the full range of business risks that will determine which of those opportunities are most worth pursuing.
- On an ongoing basis, reviewing how the strategic environment is changing, what key business risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted.

**(e) Remuneration and Human Resources**

- With the advice and assistance of the Remuneration and Human Resources Committee:
  - reviewing and approving the performance and remuneration of the individual Board members and senior executives;
  - reviewing and approving policies with respect to remuneration of any employees;
  - reviewing and approving human resource policies and procedures for senior management; and
  - reviewing the strategies to meet the objectives of the Diversity Policy.

**(f) Corporate governance**

- At least once per year, with the assistance and advice of the Nomination and Corporate Governance Committee, reviewing the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amending those policies and procedures as necessary.
- Reviewing and approving all disclosures related to any departures from the Australian Securities Exchange (*ASX*) Corporate Governance Principles and Recommendations.
- Reviewing and approving the public disclosure of any of the Group's policies and procedures.
- Supervising the public disclosure of all matters that the law and Listing Rules of the ASX (*ASX Listing Rules*) require to be publicly disclosed, consistent with the Continuous Disclosure Compliance Policy approved by the Board.
- Approving the appointment of directors to committees established by the Board and overseeing the conduct of such committees.
- Approving and monitoring delegations of authority.

**(g) Performance evaluation**

- At least once per year, with the advice and assistance of the Nomination and Corporate Governance Committee, reviewing and evaluating the performance of the Board, each board committee, and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives.
- Following each review and evaluation considering how to improve its performance.
- Agreeing and setting the goals and objectives for the Board and its committees each year, and if necessary, amending the relevant charters and policies.
- With the advice and assistance of the Remuneration and Human Resources Committee, reviewing and approving the remuneration of the Company's executive and non-executive directors.

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## 3. Structure of the Board

### 3.1 Overview

Subject to the requirements in paragraph 3.2 below, the Board, with the recommendation of the Nomination and Corporate Governance Committee, determines the size and composition of the Board subject to the terms of the Constitution of the Company. The continued tenure of each individual director is subject to re-election from time to time, in accordance with the Constitution.

The Board has an agreed Director Selection and Appointment Policy for which the Nomination and Corporate Governance Committee is responsible for overseeing. It is intended that the Board should comprise a majority of independent directors, and comprise directors with a broad range of skills, expertise, diversity and experience from a range of backgrounds.

The directors appoint the Chairman of the Board.

### **3.2 Board composition**

The Board shall comprise at least three directors.

### **3.3 Criteria for an "independent" director**

Where the charter of a board committee requires one or more "independent" directors, the following criteria are to be applied.

An "independent" director is a non-executive director who:

- (a) is not a substantial shareholder (as defined in the *Corporations Act 2001* (Cth)) of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) within the last three years, has not been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold any such employment;
- (c) 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;
- (d) is not a material supplier or customer of the Company or the Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has no material contractual relationship with the Company or another Group member other than as a director of the Company;
- (f) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company; and
- (g) is free from any interest and any 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.

Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence, and should be disclosed by directors to the Board.

### **3.4 Directors' responsibilities**

Each director is bound by all the Company's charters, policies and codes of conduct, including:

- the Code of Conduct;
- the Share Trading Policy; and
- the Continuous Disclosure Policy.

The directors of the Company must:

- (a) conduct their duties at the highest level of honesty and integrity;
- (b) observe the rule and the spirit of the law and comply with any relevant ethical and technical standards;

- (c) maintain the confidentiality of all information acquired in the course of conducting their role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board, or is required by law or by the ASX Listing Rules;
  - (d) observe the principles of independence, accuracy and integrity in dealings with the Board, board committees, internal and external auditors and senior management within the Group;
  - (e) disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the director becomes aware and which the director reasonably believes may compromise the reputation or performance of the Group; and
  - (f) set a standard of honesty, fairness, integrity, diligence and competency in respect of the position of director.
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## 4. Role of the Chairman

### 4.1 Objective

The Company recognises that it is important that the Chairman has a defined role in the organisation and operates in accordance with clear functional lines.

### 4.2 Role of the Company Chairman

The Chairman of the Board should be a non-executive director. Any future Chairman will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.

### 4.3 Specific duties of the Chairman

The Chairman will:

- (a) chair board meetings;
  - (b) establish the agenda for Board meetings, in consultation with the executive directors and the Company Secretary;
  - (c) chair meetings of shareholders, including the Annual General Meeting of the Company;
  - (d) chair the Nomination and Corporate Governance Committee;
  - (e) be the primary spokesperson for the Company at the Annual General Meeting;
  - (f) represent the views of the Board to shareholders, the general public, government, regulators and other stakeholders; and
  - (g) develop and maintain key strategic relationships.
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## 5. Confidential information and external communication

The Board has established the following principles to apply in respect of information of the Group:

- (a) generally, the Chairman will speak for the Group. Individual Board members are expected not to communicate on behalf of the Board or the Group without prior consultation with the Chairman;
- (b) any disclosure of information to a shareholder which is not disclosed to the market must be approved under the Continuous Disclosure Compliance Policy and must comply with the ASX Listing Rules; and
- (c) all directors are required to keep all information provided to them in their capacity as a director confidential.

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## 6. Conflicts of interest

The directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or possible conflicts of interest.

If a director considers that he or she might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any associated person, or his or her duties to any other company, on the one hand, and the interests of the Company or his or her duties to the Company, on the other hand, the Board requires that the director:

- (a) fully and frankly informs the Board about the circumstances giving rise to the conflict; and
- (b) abstains from voting on any motion relating to the matter and absents himself or herself from all board deliberations relating to the matter, including receipt of Board papers bearing on the matter.

If a director believes that he or she may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chairman (or, in the case of the Chairman, the Chairman should immediately consult with the other non-executive directors).

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## 7. Related party transactions

The Board has delegated to the Audit and Risk Management Committee responsibility for reviewing and monitoring related party transactions and investments involving the Group and its directors.

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## 8. Meetings

### 8.1 Overview

The Board will meet not less than six times formally per annum and as frequently as may otherwise be required to deal with urgent matters.

A meeting of the Board will usually be convened by the Chairman, although under the Company's Constitution a meeting may be called by any director.

All directors are expected to diligently prepare for, attend, and participate in all Board meetings. At a minimum, a quorum of directors under the Company's Constitution is two. Meetings of the Board may be held or participated in by conference call or similar means. Resolutions of the Board may be passed by circular resolution or in writing in accordance with the Company's Constitution.

The Chairman in conjunction with the Chief Executive Officer should ensure the availability and, if necessary, the attendance at the relevant meeting, of any member of the Group's executive management responsible for a matter included as an agenda item at the relevant meeting.

## **8.2 Agenda**

An agenda will be prepared for each Board and Board committee meeting. The agenda will be prepared by the Company Secretary under the supervision of the Chairman.

The following items will be standing items on the agenda unless otherwise determined by the Chairman:

- Approval of minutes of previous meeting
- Report by the executive directors(s)
- Report of the Audit and Risk Management Committee
- Report of the Remuneration and Human Resources Committee
- Report of the Nomination and Corporate Governance Committee
- Director's declarations
- Matters arising from Minutes

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## **9. Board committees**

In order to fulfil its duties, the Board has established the following committees:

- the Audit and Risk Management Committee, which is responsible for monitoring and advising the Board on the Group's audit, risk management and regulatory compliance policies and procedures;
- the Remuneration and Human Resources Committee, which is responsible for overseeing the remuneration and human resources policies and practices of the Group;
- the Nomination and Corporate Governance Committee, which is responsible for advising the Board on the composition of the Board and its committees, reviewing the performance of the Board, its committees and the individual directors.

Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.

The composition of the membership, including the Chairman, of each of these committees will be as determined by the Board from time to time, subject to:

- the composition of the Audit and Risk Management Committee, which will comprise at least three non-executive directors, the majority of whom should be independent; and
- where the charter of a particular committee contains specific requirements as to its composition.

The Board will consider and approve the charters of the various committees. These charters will identify the areas in which the Board will be assisted by each committee.

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## 10. Independent advice

A director of the Company is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:

- (a) a director must seek the prior approval of the Chairman;
- (b) in seeking the prior approval of the Chairman, the director must provide the Chairman with details of:
  - the nature of the independent professional advice;
  - the likely cost of seeking the independent professional advice; and
  - details of the independent adviser he or she proposes to instruct;
- (c) the Chairman may set a reasonable limit on the amount that the Company will contribute towards the cost of obtaining such advice;
- (d) all documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and to the director in his or her personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director's contract of employment with the Company (in the case of an executive director) or any dispute between the director and the Company; and
- (e) the Chairman may determine that any advice received by an individual director will be circulated to the remainder of the Board.

All directors are entitled to the benefit of the Company's standard Deed of Access, Indemnity and Insurance which provides ongoing access to Board Papers and, at the Company's expense, Directors and Officers insurance for seven years after the director leaves the Board.

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## 11. Remuneration

The level of director remuneration will be set by the Remuneration and Human Resources Committee.

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## 12. Continuous disclosure

The Board has adopted a policy related to the continuous disclosure obligations of the Company under the ASX Listing Rules. The Audit and Risk Management Committee will oversee the implementation of that policy and will report to the Audit and Risk Management Committee, which in turn will report to the Board at each regular Board meeting.