



**ADELAIDE BRIGHTON LIMITED**  
ACN 007 596 018

**BOARD CHARTER AND RELATIONSHIP WITH MANAGEMENT**

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**1 Role of the Board**

- Representing and serving the interests of shareholders by overseeing and appraising the strategies, policies and performance of the Company (including establishing goals for management and reviewing management performance).
- Protecting and optimising Company performance and building sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by the Company's constitution and by law.
- Setting the Company's values and standards, including monitoring compliance with ethical standards and regulatory requirements, and monitoring and influencing the Company's culture.
- Ensuring shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

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**2 Responsibilities of the Board**

2.1 Responsibilities/functions of the Board include:

- (a) selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning for the successor of, the CEO<sup>1</sup>;
- (b) reviewing procedures in place for appointment of senior management and monitoring of its performance, and reviewing executive development activities together with succession planning. This includes ratifying the appointment and the removal of the Chief Financial Officer and the Company Secretary and all the Company's senior executives who report to the CEO;
- (c) defining Adelaide Brighton's purpose and setting its strategic objectives, including providing input into and final approval of management development of corporate strategy, setting performance and sustainability objectives, approving operating budgets, and monitoring management's implementation of strategy and performance against objectives and budgets;
- (d) reviewing, guiding and monitoring systems of risk management and internal control and ethical and legal compliance. This includes setting the Company's risk appetite and reviewing procedures in place to identify the main risks associated with the Company's businesses (including material sustainability risks and new or emerging financial and non-financial risks), the implementation of appropriate systems to manage these risks and, in consultation with the Audit, Risk and Compliance Committee, at least annually reviewing the Company's risk management framework and that management is operating with due regard to the risk appetite set by the Board;

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<sup>1</sup> A reference to the CEO in this Charter includes a reference to the Managing Director, where one has been appointed.

- (e) monitoring corporate performance and implementation of strategy and policy;
- (f) approving major capital expenditure, acquisitions and divestitures, cessation of any significant business activity and monitoring capital management;
- (g) monitoring and reviewing management processes in place aimed at ensuring integrity of financial and other reporting and oversight of communications with shareholders (including financial reporting);
- (h) monitoring and reviewing policies and processes in place relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards;
- (i) formulating the Company's policy in relation to, and monitoring the implementation of sustainable resource use and the impact of the Company's operations on the environment, community and stakeholders; and
- (j) performing such other functions as are prescribed by law or are assigned by the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a director, employee or other person subject to ultimate responsibility of the directors under the Corporations Act.

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

- appointment of a Chair;
- appointment and removal of the CEO;
- appointment of directors to fill a vacancy or as additional director;
- establishment of Board committees, their membership and delegated authorities;
- approval of directors' reports, financial statements and dividends;
- corporate governance principles and policies, including approval of the Corporate Governance Statement;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders;
- any other specific matters nominated by the Board from time to time.

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### **3 Relationship with management**

- It is fundamental that management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. It follows that directors are entitled to request additional information at any time where they consider it appropriate.
- Ultimate responsibility for management and control rests with the directors.
- The Board may meet from time to time without presence of management.
- Directors may delegate their powers as they consider it appropriate.
- The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and by other officers to whom management function is properly delegated by the CEO).

- The Board approves corporate objectives for the CEO to meet and, jointly with the CEO, develops the duties and responsibilities of the CEO with limits to management's authorities.
- The CEO and management (as the delegates of the CEO) are accountable to the Board for the authority delegated to the CEO and for complying with any limits on that authority (including complying with the law and Company policy).
- Management is responsible for reporting relevant information to the Board. The Board is responsible for satisfying itself that the Board reporting framework is appropriate. Where required, the Board will provide feedback to and challenge management.
- Where a director seeks to provide information about business opportunities or introductions to the Company, this should be done through the CEO with the Chairman also being informed.

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## **4 Committees**

The Board may establish Committees to streamline the discharge of its responsibilities and, where appropriate, adopt a formal charter setting out the responsibilities and composition of each Committee.

The Board has to date established:

- a People and Culture Committee;
- an Audit, Risk and Compliance Committee; and
- a Safety, Health, Environment and Community Committee.

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## **5 Board composition and size**

- The Board, together with the People and Culture Committee, determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- Non-executive directors are engaged through a letter of appointment and the appointment of new non-executive directors is confirmed by the shareholders. Appropriate background checks are made before a new director is appointed.
- The Board should comprise a majority of independent non-executive directors.
- The Board, together with the People and Culture Committee, will review the skills and diversity represented by directors on the Board and consider whether the composition and mix of those skills and diversity remain appropriate in the Company's circumstances from time to time.

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## **6 Board process**

### 6.1 The Chair

- The Board will appoint one of its members to be Chair.
- The Chair must be a non-executive director.

### 6.2 The Lead Independent Director

- If the Chair is not an independent non-executive director, the independent directors will appoint one of their number to be the Lead Independent Director.
- The Lead Independent Director's role and responsibilities include:
  - the responsibilities set out in the Board Protocol – Potential Conflicts and Interests;
  - communicating the views expressed by the independent directors in relation to the Board's business and/or responsibilities to the Board; and
  - being available as required for discussions with shareholders or other stakeholders;
  - approvals and actions required to be performed by the Chair, if the Chair is the subject of the approval or action; and
  - if the Lead Independent Director is also appointed as Deputy Chairman, performing the role and functions of the Chair in the absence of the Chair.

### 6.3 The Company Secretary

- The Board will appoint at least one Company Secretary.
- The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board, including coordination of all Board business.
- All directors will have direct access to the Company Secretary.

### 6.4 Director tenure

- The Board acknowledges the importance of Board renewal. However, the Board does not believe that it should establish an arbitrary limit on tenure. 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 determining the composition of the Board, regard is had to the mix of directors with shorter and longer tenures.

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## **7 Ongoing professional development and access to advice**

- Directors are expected to participate in all induction and orientation programs and any continuing education or training arranged for them.
- The Board collectively, and each director individually, has the right to seek independent professional advice, subject to the approval of the Chair.

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## **8 Review of Charter**

This charter shall be reviewed by the Board as required and at least annually.