



Board charter

Evans Dixon Limited ACN 609 913 457 (**Company**)

Board charter

1 Introduction

- 1.1 Evans Dixon Limited ACN 609 913 457 (**Company**) is a listed public company.
- 1.2 The board of the Company (**Board**) is responsible for the corporate governance of the Company and its related bodies corporate (**Group**).
- 1.3 The purpose of this charter is to:
 - (a) promote high standards of corporate governance;
 - (b) clarify the role and responsibilities of the Board; and
 - (c) enable the Board to provide strategic guidance for the Group and effective management oversight.
- 1.4 This charter is supported by the code of conduct, the charters for the People, Nomination & Remuneration Committee, Audit, Risk & Compliance Committee, Securities Trading Policy and the Market Disclosure Policy.
- 1.5 For the purpose of this charter, senior executives include all officers and employees who have the opportunity to materially influence the integrity, strategy and operation of the company and its financial performance.
- 1.6 To the extent that there is any inconsistency between this charter and the Company's constitution, the constitution will prevail to the extent of that inconsistency.

2 Board size, composition and independence

- 2.1 There must be a minimum of three directors and may only be a maximum of 10 directors.
- 2.2 The Board should ideally comprise:
 - (a) a majority of independent non-executive directors;
 - (b) directors with an appropriate range of skills, experience and expertise;
 - (c) directors who can understand and competently deal with current and emerging business issues; and
 - (d) directors who can effectively review and challenge the performance of management and exercise independent judgment.
- 2.3 An independent non-executive director is one who:
 - (a) is independent of management; and
 - (b) is 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 entity as a whole.
- 2.4 In assessing the independence of non-executive directors, the Board will consider the 'factors relevant to assessing the independence of a director' provided in the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council (**Corporate Governance Principles**).

- 2.5 The Board should regularly assess whether each non-executive director is independent and each non-executive director should provide to the Board all information relevant to his or her assessment.
- 2.6 If a director's independent status changes, this should be immediately disclosed and explained to the market.
- 2.7 The directors have absolute discretion to determine the appropriate composition of the Board from time to time.
- 2.8 The People, Nomination & Remuneration Committee is responsible for recommending candidates for appointment to the Board.
- 2.9 The Board will ensure that appropriate background checks have been conducted on candidates (both directors and senior executives) before engaging them.
- 2.10 Each director is appointed by a formal letter of appointment setting out the key terms and conditions of their appointment to ensure that each director clearly understands the Company's expectations of him or her.

3 The Board's role and responsibilities

- 3.1 The Board acts in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company and the Group.
- 3.2 The Board is responsible for:
 - (a) overseeing the Group, including providing leadership and setting its strategic objectives, control and accountability systems;
 - (b) appointing the Chair of the Board (**Chair**);
 - (c) appointing and removing the Group Chief Executive Officer;
 - (d) monitoring the performance of the Group Chief Executive Officer;
 - (e) where appropriate, ratifying the appointment and removal of senior executives;
 - (f) ratifying other senior executive appointments, organisational changes and senior management remuneration policies and practices;
 - (g) approving succession plans for management;
 - (h) monitoring senior executives' performance and implementation of strategy, and ensuring appropriate resources are available;
 - (i) reporting to shareholders;
 - (j) providing strategic advice to management;
 - (k) approving management's corporate strategy and performance objectives;
 - (l) determining and financing of dividend payments;
 - (m) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
 - (n) approving and monitoring corporate, financial and other reporting systems, including external audit, and overseeing their integrity;
 - (o) reviewing and ratifying systems of risk management, accountability, internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;

- (p) reviewing and overseeing the implementation of the code of conduct for directors, senior executives and all other employees;
 - (q) approving the charters of the various Board committees;
 - (r) monitoring and ensuring compliance with all legal and regulatory requirements and ethical standards and policies; and
 - (s) monitoring and ensuring compliance with the Corporate Governance Principles.
- 3.3 In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a director or other person, subject to ultimate responsibility residing with the directors.
- 3.4 The matters specifically reserved for the Board or its committees (as relevant) include:
- (a) defining the Group's purpose;
 - (b) appointment of a Chair;
 - (c) appointment and removal of the Group Chief Executive Officer;
 - (d) appointment of a director to fill a casual vacancy or as an additional director;
 - (e) establishment of Board committees, their membership and delegated authorities;
 - (f) approval of dividends;
 - (g) review and approval of a statement of values and codes of conduct to underpin culture;
 - (h) overseeing management in instilling the Group's values;
 - (i) approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
 - (j) ensuring the remuneration framework is aligned with the Group's purpose, values, strategic objectives and risk appetite;
 - (k) calling of meetings of directors or shareholders; and
 - (l) any other specific matters nominated by the Board from time to time.

4 Performance of senior executives

- 4.1 The Board is responsible for:
- (a) regularly reviewing the performance of senior executives against measurable and qualitative indicators as decided by the Board; and
 - (b) ensuring that induction procedures are in place to allow new senior executives to participate fully and actively in management decision-making at the earliest opportunity.
- 4.2 New senior executives must have knowledge about the Company and the industry within which it operates. An induction program is available to enable senior executives to gain an understanding of:
- (a) the Company's financial, strategic, operational and risk management position;
 - (b) the rights, duties and responsibilities of senior executives; and
 - (c) the respective rights, duties, responsibilities and roles of the Board and senior executives.

5 Board Committees

- 5.1 The Board has established the following committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:
- (a) Audit, Risk & Compliance Committee; and
 - (b) People, Nomination & Remuneration Committee.
- 5.2 The charter or terms of reference of each Board committee setting out matters relevant to the composition, responsibilities and administration of the committee must be approved by the Board. Each committee will review its charter from time to time as appropriate.

6 Chair of the Board

- 6.1 The Chair:
- (a) is appointed by the directors; and
 - (b) may not be the same person as the Group Chief Executive Officer.
- 6.2 The division of the responsibilities of the Chair and the Group Chief Executive Officer have been agreed by the Board and are set out in this charter.
- 6.3 The responsibilities of the Chair include:
- (a) providing leadership to the Board and the Group;
 - (b) promoting the efficient organisation and conduct of the Board's functions;
 - (c) ensuring the Board considers and adopts strategies designed to meet present and future needs of the Group;
 - (d) ensuring the Board has an effective composition, size and commitment to adequately discharge its responsibilities and duties;
 - (e) monitoring the performance of the Board;
 - (f) facilitating Board discussions to ensure core issues facing the Group are addressed;
 - (g) briefing all directors in relation to issues arising at Board meetings;
 - (h) facilitating the effective contribution and ongoing development of all directors;
 - (i) promoting constructive and respectful relations between Board members and between the Board and management;
 - (j) ensuring the Board regularly meets to consider the Group's performance and key issues facing it;
 - (k) setting the agenda for the Board meetings after consulting with the Group Chief Executive Officer; and
 - (l) chairing general meetings.

7 Chief Executive Officer and executive team

- 7.1 Responsibility for day to day management and administration of the Group is delegated by the Board to the Group Chief Executive Officer and the executive team (if appointed).
- 7.2 The Group Chief Executive Officer manages the Group in accordance with the strategy, plans and policies approved by the Board.
- 7.3 The Group Chief Executive Officer is appointed by the Board.

- 7.4 The Group Chief Executive Officer may not be the same person as the Chair.
- 7.5 The responsibilities of the Group Chief Executive Officer (if appointed) include:
- (a) developing and recommending to the Board strategies, business plans and annual budgets for the Group;
 - (b) implementing the strategies, business plans and budgets adopted by the Board;
 - (c) providing effective leadership, direction and supervision of the executive team to achieve the strategies, business plans and budgets adopted by the Board;
 - (d) developing and managing resources, policies and systems to ensure the effective operation of the Group (including developing and implementing policies on risk management, internal controls and human resources);
 - (e) managing resources within budgets approved by the Board;
 - (f) ensuring compliance with applicable laws and regulations;
 - (g) ensuring the Board is given sufficient information to enable it to perform its functions, set strategies and monitor performance; and
 - (h) acting within authority delegated by the Board.
- 7.6 The Board has in place procedures to assess the performance of the Group Chief Executive Officer and executive team (if appointed).

8 Directors

- 8.1 Directors are expected to attend and participate in Board meetings and meetings of committees on which they serve.
- 8.2 Directors are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 8.3 Directors are expected to review meeting materials before Board meetings and committee meetings.
- 8.4 Directors are encouraged to ask questions of, request information from, and raise any issue of concern with, management. Directors are encouraged, where possible, to ask any questions and raise issues of concern before a meeting so that management is prepared to address them.
- 8.5 Directors must exercise independent judgment when making decisions.
- 8.6 Publicly, directors are expected to support the letter and spirit of Board decisions.
- 8.7 Directors must keep Board information, discussions, deliberations, and decisions that are not publicly known, confidential.
- 8.8 Directors must comply with their legal duties when discharging their responsibilities as directors. Broadly, these duties are:
- (a) to act in good faith and in the best interests of the Company;
 - (b) to act with care and diligence;
 - (c) to act for proper purposes;
 - (d) to avoid a conflict of interest or duty; and
 - (e) to refrain from making improper use of information gained through the position of director or taking improper advantage of the position of director.

9 Non-Executive Directors

- 9.1 Non-executive directors should consider the benefits of conferring regularly without management present, including at scheduled sessions or as otherwise required by the circumstances.
- 9.2 These discussions of non-executive directors can be facilitated by the Chair or lead independent director (if any).
- 9.3 A non-executive director should inform the Chair before accepting any new appointment as a director of another listed entity, another material directorship or other position with a significant time commitment attached.

10 Company Secretary

- 10.1 The Company Secretary is appointed and can be removed by the Board.
- 10.2 The Company Secretary is responsible for:
- (a) The co-ordination of all Board business, including agendas, board papers, accuracy of minutes, communication with regulatory bodies, securities exchanges and all statutory and other filings;
 - (b) Advising the Board and its committees on governance matters;
 - (c) Monitoring that all Board and Committee policy and procedures are followed;
 - (d) Arranging and facilitating the induction and professional development of directors;
 - (e) Ensuring all Directors have direct access to the Company Secretary and vice versa.

11 Conflicts

- 11.1 Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.
- 11.2 Directors must:
- (a) disclose to the Board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
 - (b) take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
 - (c) comply with the *Corporations Act 2001* (Cth) and the Company's constitution in relation to disclosing material personal interests and restrictions on voting.
- 11.3 If a conflict exists, it is expected that any director to whom the conflict relates will leave the room when the Board is discussing any matter to which the conflict relates.
- 11.4 Directors are expected to inform the Chair of any proposed appointment to the Board or executive of another company as soon as practicable.

12 Access to information and independent advice by directors

- 12.1 Directors have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- 12.2 Directors have access to:
- (a) management to seek explanations and information from management; and
 - (b) auditors, both internal and external, to seek explanations and information from them without management being present.
- 12.3 Directors may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the directors.
- 12.4 If the Chair consents, the Company will pay a director's costs of seeking independent professional advice. That consent may not be unreasonably withheld or delayed.

13 Retirement of directors

- 13.1 At the end of every annual general meeting, at least one of the directors must retire.
- 13.2 A director must retire at the end of the third annual general meeting after the director's appointment even if it means that more than one-third of directors retire at an annual general meeting.
- 13.3 Those directors who have been longest in office since their last appointment must retire by rotation. Directors appointed on the same day may agree among themselves or determine by lot who must retire.
- 13.4 The Group Chief Executive Officer or a director appointed to fill a casual vacancy or as an addition to the Board is not subject to retirement by rotation and is not taken into account when determining how many directors must retire by rotation. A director appointed to fill a casual vacancy or as an addition to the Board must retire at the next annual general meeting after their appointment, but is eligible for election.

14 Code of conduct

- 14.1 The Group has adopted a corporate code of conduct setting out its legal and other obligations to all legitimate stakeholders including employees, customers and the community.
- 14.2 The Group has adopted a code of conduct for directors, senior executives and all other employees setting out required standards of behaviour, for the benefit of all shareholders.
- 14.3 Each director, officer and employee will be given a copy of the code of conduct applicable to their position when joining the Group.

15 Communication of information

- 15.1 The Board will:
- (a) communicate effectively with shareholders;
 - (b) give shareholders ready access to balanced and understandable information about the Group and its corporate goals; and
 - (c) make it easy for shareholders to participate in general meetings.
- 15.2 The Board has adopted a communications strategy to facilitate and promote effective communication with shareholders and encourage participation at general meetings.

16 Review of Board performance

The People, Nomination & Remuneration Committee will annually review:

- (a) The Board's role;
- (b) the processes of the Board and Board committees;
- (c) the Board's performance;
- (d) each director's performance before the director stands for re-election; and
- (e) the need for existing directors to undertake professional development programs.

17 Review

The Board will review this Charter annually and confirm its appropriateness.