



## Board Charter

### 1 Overview

This Board Charter (the **Charter**) sets out the principles under which the Board of Directors (the **Board**) of NCR Resources Ltd ACN 060 352 990 (the **Company**) and its subsidiaries (the **Group**) will operate and describes the functions of the Board. It also prescribes the manner in which the Board may delegate its functions to management.

The Charter is intended to create an appropriate, practical and consistent framework of control for the Group and so, ensure compliance with statutory and Corporate Governance practice requirements by the Board and management of the Group. In turn this will ensure the maintenance of the integrity of the Group.

The Board is of the view that such a framework of control will assist management and staff to effectively perform their duties, manage risk and will facilitate the monitoring of performance and compliance by the Board against agreed benchmarks.

### 2 Role of the Board

The Board considers that the essential responsibility of directors is to oversee the Group's activities for the benefit of its shareholders, employees and other stakeholders. In performing its role, the Board shall act in accordance with the Company's Code of Conduct and all other relevant policies and legislative requirements.

### 3 Responsibilities of the Board

The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices and goals for management of the Company.

Without intending to limit this general role of the Board, the Board's specific functions and responsibilities include:

- determining the direction, strategies and financial objectives of the Company and monitoring the implementation of such strategies and objectives;
- monitoring the operational and financial position and performance of the Group and liaising with the Company's external auditor;
- reviewing the performance and monitoring the implementation of strategies and budgets by the executive key management personnel (**KMP**)<sup>1</sup> and approving major corporate initiatives;
- monitoring the principal risks faced by the Company and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;

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<sup>1</sup> Key management personnel (**KMP**) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executor or otherwise) of the Group and other designated senior executives.

For the Company, KMP comprises the Chief Executive Officer (referred to as an Executive KMP) and the Non-executive Directors of the Company.

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- ensuring that management of the Company has in place appropriate processes for risk management and internal control, codes of conduct, and legal compliance; appointing and, where appropriate, removing the executive KMP;
- ratifying the terms of appointment and, where appropriate, the removal of other executive KMP;
- planning for executive succession;
- approving and reviewing management procedures to ensure compliance with its responsibilities under the *Corporations Act 2001* (Cth) (**Corporations Act**), the Constitution, ASX listing rules, Australian Accounting Standards and other relevant laws and ethical standards including responsibilities relating to occupational health and safety, the environment and cultural heritage;
- corporate governance including legal compliance systems, as well as monitoring compliance with those systems;
- ensuring appropriate resources are available for the Company in the pursuit of its objectives;
- approving the Company's budgets and business plans and monitoring the management of the Company's capital, including the progress of major capital expenditures, acquisitions and divestitures;
- approving, and reviewing the Company's internal compliance procedures, including any codes of conduct and taking all reasonable steps to ensure that the business of the Company is conducted in an open and ethical manner;
- approving and monitoring financial and other reporting and disclosure;
- approving significant changes to the organisational structure of the Company, including significant acquisitions, divestiture or changes to the capital of the Company;
- reporting to, and communicating with, shareholders;
- monitoring the culture of the Group;

enhancing and protecting the brand and reputation of the Group;

- ensuring directors inform themselves of the Company's business and financial status; and
- reviewing, to the extent necessary, amending and approving the Board and Committee Charters.

## 4 Board Composition

Under the Company's constitution, the minimum number of directors is three and the maximum number is ten. Each director is bound by all of the Company's charters, policies and codes of conduct, including without limitation, the Company's Securities Dealing Policy, Continuous Disclosure Policy and Corporate Code of Conduct.

## 5 Director Independence

5.1 The ASX Corporate Governance Council (**Council**) recommends the following in relation to Board member independence:

- the majority of directors are to be independent; and
- the Chair is to be a non-executive independent director.

5.2 In determining whether a director is independent, the Board may consider whether the director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated with, a substantial shareholder of the Company (as defined in section 9 of the Corporations Act);
- is, or has been, employed in an executive capacity by the Group, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is, or has within the last three years been a partner, director or senior employee of a provider of material professional services to the Group;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with the Group, or an officer of, or otherwise associated with, someone with such a relationship;
- has a material contractual relationship with the Group other than as a director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the Group for such a period that his or her independence may have been compromised.

The matters listed above are not exhaustive and other factors may need to be considered in a particular context.

The Board will undertake an annual review of non-executive director independence, having regard to the criteria set out above and any other relevant relationship that the non-executive director may have. Directors' individual interests are also tabled at each and every Board meeting.

Currently the Board does not contain a majority of independent directors, and the Chair is not independent. Notwithstanding the Council's recommendations regarding independence, the Board is of the opinion that the objectives and current strategy of the Company are best served and achieved by a Board comprised of a majority of persons associated with the Company, irrespective of their degree of independence. It is expected that all directors, whether independent or not, should bring an independent judgement to bear on Board decisions.

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The Board will continue to assess the benefits associated with the introduction of additional independent non-executive directors.

### 6 Chair

The Council recommends that the Chair of the Board be an independent director and, in particular, should not be the same person as the managing director of the Company. The Board of the day appoints the Chair on the basis of the principle that the “most appropriate person” gets the job. In the absence of a deputy Chair, the Board will nominate an independent non-executive director to act in the absence of the Chair.

The Chair is responsible for the leadership of the Board, including taking all reasonable steps to ensure that the Board functions effectively, and for communicating the views of the Board to the public.

In particular, the Chair is required to:

- set the agenda for matters to be considered at the meetings of the Board;
- manage the conduct at, and frequency and length of, Board meetings so as to provide the Board with an opportunity to have a detailed understanding of issues affecting the Company’s business operations, the Company’s current financial position and performance and any opportunities or challenges facing the Company; and
- facilitate open and constructive communications between members of the Board and encourage their contribution to Board deliberations.

### 7 Expertise

The Board shall ensure that, collectively, it has the appropriate range of skills and expertise to properly fulfil its responsibilities, including:

- accounting;
- finance;
- business;
- the Company’s industry; and
- relevant technical expertise.

The Board will review the expertise of its members to ensure it has operational and technical expertise relevant to the Company’s operations.

The Board will use succession planning to achieve the progressive and orderly renewal of its Board membership. The Board may engage an independent professional consultant to identify suitable candidates in a direct recruitment search process. Candidates are selected based on their level of skill, knowledge and experience that enables the Board to discharge its responsibilities effectively. This selection process also aims to achieve an appropriate mix of skills, expertise, experience and diversity.

### 8 Board Committees

The Board has established an Audit Committee to recognise and monitor financial risks arising from the activities of the Group.

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The Audit Committees is designed to consider specific matters and make recommendations to the Board with respect of financial matters; however, it is not intended that the committee restrict the ability of the Board to make an independent assessment of the recommendations, having regard to the Board's knowledge of the Group and its operations.

The Audit Committee has an approved charter setting out the composition of the committee, the powers delegated to it by the Board and minimum meeting requirements for the committee.

If circumstances allow, the committee is to be composed of independent, non-executive directors with the necessary skills and experience.

The Board may rely on the advice of a committee provided the reliance was made in good faith and having regard to the Board's knowledge of the Company and the complexity of its structure and operations.

The Board may also delegate specific responsibilities to the committee from time to time.

## 9 Indemnity and Insurance

Each current director has entered into a deed with the Company under which the Company has agreed:

- to the extent permitted by law, to indemnify the director against liability arising out of the discharge of the director's duties;
- to maintain an insurance policy for the director against liability incurred in their capacity as director for the term of the director's appointment and for 7 years following cessation of office; and
- to maintain all board papers and other Company documents relating to the director's period of appointment and to make those papers available to the director for a period of 7 years following the director's cessation of office.

Unless the Board otherwise determines, it is intended that each new director will enter into a similar deed with the Company, prior to that new director commencing office.

## 10 Conflicts of Interest

Each director has an obligation to reach decisions which they believe to be in the best interests of the Company as a whole, free of any actual or possible conflict of interest.

A director has an obligation under Section 191 of the Corporations Act to give notice of a material personal interest. If the Board determines that a director might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interest 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 will require that the director:

- fully and frankly inform the Board about the circumstances giving rise to the conflict; and
- abstain from voting on any motion relating to the matter and absenting him or her self from all Board deliberations relating to the matter, including receipt of Board papers pertaining to the matter.

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If the Board resolves to permit a director to have any involvement in a matter involving possible circumstances of conflicting interest, the Board must minute the full details of the basis of the determination and the nature of the conflict, and must formally resolve to permit the relevant director to participate as set out in Section 195 of the Corporations Act.

If a director believes they have or may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chair.

### 11 Term of office of directors

Executive directors must resign from the Board when they cease to occupy their executive position with the Company. They may be eligible for re-appointment, although the Board would need to consider whether they would be independent directors.

### 12 Appointment of Directors

#### 12.1 Appointment

Directors are appointed in accordance with the terms of the Company's constitution.

Before a director is appointed, or put forward to shareholders as a candidate for election, the Group will undertake appropriate checks. These checks may include, but are not limited to, checks on a person's character, experience, education, criminal record and bankruptcy history.

#### 12.2 Agreement

The terms and conditions of the appointment and retirement of directors is set out in a letter of appointment which covers:

- the terms of appointment;
- the time commitment envisaged, including any expectations regarding involvement with committee work and any other special duties attaching to the position;
- remuneration;
- the requirement to disclose interests and any matters which may affect independence;
- the requirement to comply with key corporate policies, including the Company's Corporate Code of Conduct and Securities Dealing Policy;
- the Group's policy on when directors may seek independent professional advice at the expense of the Group;
- the circumstances in which the director's office becomes vacant;
- indemnity and insurance agreements;
- ongoing rights of access to corporate information; and
- ongoing confidentiality obligations.

#### 12.3 Induction and training

The Group has a program for inducting new directors and provides resources to directors to help develop and maintain the appropriate skills and knowledge needed to perform their role effectively.

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### 12.4 Vacancy

When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board will select appropriate candidates, with relevant qualifications, skills and experience. External advisers may be used to assist in such a process.

### 12.5 Retirement and Re-election

The Constitution of the Company requires at least one third of directors, other than the managing director, to retire from office at each Annual General Meeting. Directors cannot hold office for a period in excess of three years or later than the third Annual General Meeting following appointment without submitting themselves for re-election. Retiring directors are eligible for re-election by shareholders.

### 12.6 Information for shareholders about director standing for election or re-election

The following information will be made available to shareholders about a director standing for election or re-election:

- biographical details, including relevant qualifications and experience and the skills they bring to the Board;
- details of any material directorships currently held;
- the term of office currently served by the director (only if standing for re-election);
- if the Board considers the director to be independent; and
- a statement by the Board as to whether it supports the director for election or re-election;

Where a director is standing for election for the first time; the following additional information will also be made available:

- any material adverse information revealed by the checks performed about the director; and
- details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Group and its shareholders generally.

## 13 Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with proper functioning of the Board. The role of the Company Secretary includes:

- advising the Board and committees on governance matters;
- monitoring to ensure Board and committee policies and procedures are followed;
- coordinating the timely completion and dispatch of Board and committee papers;
- ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of directors.

The Board will formally resolve the appointment and removal of a Company Secretary.

## **14 Meetings of the Board**

The Board must meet at least six times a year to consider the business of the Company, its financial performance and other operational issues. The Company's constitution states that two directors form a quorum.

Each Board meeting will allow for informal discussions between Board members. The Chair of the meeting should ensure availability and, if necessary, the attendance at the relevant meeting of any member of executive KMP responsible for a matter included as an agenda item at the relevant meeting.

In accordance with the Company's constitution, urgent matters that cannot wait until the next Board meeting can be dealt with by a circulating resolution. A circulating resolution should be approved by the Chair before being circulated to all directors, and should normally be preceded by a telephone meeting, if practical. A circulating resolution is to be signed by a majority of directors and will be entered in the Board minute book.

## **15 Directors' right to seek professional advice and access to Group information**

### **15.1 Group Information and Personnel**

All directors are granted unrestricted access to all information of the Group and shall have right of access to:

- all records;
- all levels of management; and
- the external auditors.

Any director may communicate directly with employees of the Group but such communications are to be conducted with regard to the efficient operation of the Group and the need to preserve and maintain an effective chain of command and confidentiality in respect of the deliberations of the Board. All communications of a material or sensitive nature must be facilitated by the Chair.

### **15.2 Independent Professional Advice**

If a director wishes to seek independent professional advice at the Group's expense, they must obtain the permission of the Chair. When doing so, the director should provide the Chair with:

- the reason for seeking the advice;
- the name of the person from whom the advice will be sought; and
- a quote from that person for the provision of the advice contemplated.

Upon receipt of the required information, the Chair:

- must not unreasonably withhold permission to obtain the advice; and
- must inform the Board of the request as soon as possible.

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Advice obtained at the Company's expense under these provisions must be made available to the Company.

### 16 Directors' Remuneration

The remuneration of non-executive directors is different from that of executive directors. Executive directors receive a salary and may receive other benefits. Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders.

Non-executive directors are remunerated by way of fees and long term incentives, but they do not receive retirement benefits. Non-executive directors are entitled to be reimbursed for all Group business related expenses, including travel on Group business, as may be incurred in the discharge of their duties.

### 17 Board Performance

The Board will periodically review its performance and composition to ensure that it has the appropriate mix of skills, expertise, experience and diversity, taking into account the size and nature of the Company's activities.

The Chair is responsible for the:

- evaluation and review of the performance of the Board and its Committee (other than the Chair); and
- evaluation and review of the performance of individual directors (other than the Chair).

The Board (other than the Chair) is responsible for the:

- evaluation and review of the performance of the Chair; and
- review of the effectiveness of the programme of Board meetings.

The process for performance evaluation generally involves an internal review. However, where required, the Board may commission external facilitators to conduct performance reviews.

At each reporting period the Group will disclose whether a performance evaluation has been undertaken.

### 18 Review

The Company Secretary will conduct an annual review of this Charter to ensure that it continues to reflect the most current guidance provided by the ASX.

The Board will approve any amendments to this Charter that stem from that review.

### 19 Publication of the Policy

This Charter is made available to all directors and staff of the Group and published on the Group's website.