



LGL-028

# Titomic Limited

# Board Charter

Adopted by the Board: 10 August 2017  
Last Review Date: 16 August 2021

Titomic Limited  
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Privileged & Confidential Information

## Board Charter

### 1. Purpose of this charter

The purpose of this charter is to specify how Titomic Limited (**Company**) is to be governed so as to best promote the Company whilst protecting the interests of its members.

The board of directors of the Company (**Board**) is responsible for the governance of the Company. This charter sets out:

- a. the role and responsibilities of the Board and committees;
- b. the membership and the operation of the Board;
- c. which responsibilities may be delegated by the Board;
- d. a structure for determining how Board decisions are to be made; and
- e. details regarding the Board's interaction with the Company.

This charter is supported by the Company's Audit and Risk Committee Charter, Remuneration and Nomination Committee Charter, Securities Trading Policy, Code of Conduct Policy, Disclosure and Communication Policy.

The Board is governed by the constitution of the Company.

### 2. Values

The values of the Company are customer focus, accountability, respect and integrity. The Board carries out the legal duties of its role in accordance with those values and having appropriate regard to the interests of the Company's customers, staff, shareholders and the broader community in which the Company operates.

### 3. Composition of the Board

The Board will be comprised as follows:

- a. the number of Directors must not be less than three and not more than nine (subject to any increase in accordance with the Company's constitution);
- b. the Company will use its reasonable endeavours to ensure the majority of the Board is independent; and
- c. the majority of the Board must be non-executive directors.

The criteria for independence is set out in paragraph 7 below.

The Company will seek to ensure the Board continues to have the range of skills, knowledge and experience and expertise to:

- a. understand collectively the risks facing the Company;
- b. understand the Company's legal and prudential obligations;
- c. effectively oversee the management of the Company; and
- d. use their independent thinking and judgement to contribute effectively to the Board's deliberations and processes.

## 4. Role and responsibilities of the Board

### 4.1. Role

The role of the Board is to provide overall strategic guidance for the Company and effective oversight of management. The Board ensures that the activities of the Company comply with its constitution, from which the Board derives its authority to act, and also with contractual, statutory and other legal obligations, including the requirements of all applicable regulatory bodies.

In carrying out its governance role, a key task of the Board is to drive the performance of the Company. The Board has overall responsibility for the successful operations of the Company.

### 4.2. Responsibilities

The Board is responsible for:

- a. providing leadership and setting and reviewing the Company's objectives, goals and strategic direction, and assessing performance against these benchmarks;
- b. oversight of the Company's operations with a view to ensuring that:
  - i. the Company is financially sound, meets prudential requirements and has appropriate financial reporting practices;
  - ii. the Company meets regulatory and disclosure requirements;
  - iii. a process is in place for the maintenance of the integrity of internal controls, risk management, delegations of authority and financial and management information systems;
  - iv. the Company maintains appropriate business standards, ethical conduct and fostering of a culture of compliance and accountability;
- c. appointing the chairman and, if the Company has one, the deputy chairman;
- d. approving the appointment and removal of the Chief Financial Officer, the company secretary and senior executives;
- e. monitoring senior executives' performance and the Company's remuneration framework;
- f. monitoring the executive succession plan and ensuring a process of evaluating and rewarding key executives;
- g. requiring that management supplies the Board with accurate, timely and clear information to enable the Board to perform its responsibilities;
- h. monitoring the Company's workplace health and safety performance;
- i. providing input into and final approval of management's development of corporate strategy and performance objectives;
- j. approving and monitoring the budget and progress of major capital expenditure, capital management and acquisitions and divestitures in excess of delegated authorities to management from time to time;
- k. approving dividends;
- l. ensuring that the Company's financial results are appropriately and accurately reported on a timely basis;
- m. monitoring significant litigation involving the Company;
- n. approval of all material new business activities, loans to external parties and

- other material commitments;
- o. approving charters of board committees;
- p. monitoring and ensuring compliance with best practice corporate governance requirements;
- q. calling shareholder meetings; and
- r. seeking to promote effective engagement with shareholders and providing them with appropriate information and facilities to allow them to exercise their rights as shareholders effectively.

## 5. Role and responsibilities of Chairman and Company Secretary

### 5.1. Chairman

The Chairman is responsible for ensuring that the Board functions effectively, and for communicating the views of the Board to the public. In performing this role, the Chairman's responsibilities include:

- a. setting the agenda of matters to be considered by the Board and seeking to ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- b. leading the Board in reviewing and discussing Board matters;
- c. chairing Board meetings and shareholder meetings;
- d. managing the conduct, frequency and length of Board meetings so as to ensure that the Board maintains an in depth understanding of the Company's financial position and performance and the opportunities and challenges facing the Company;
- e. briefing all directors in relation to issues arising at Board meetings;
- f. facilitating open and constructive communications between Board members and encouraging their contribution to Board deliberations;
- g. overseeing Board composition to ensure that membership of the Board is skilled and appropriate for the Company's needs;
- h. facilitating open and constructive discussions between management and the Board; and
- i. reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board.

The Chairman will be appointed by the Board and is not required to be independent.

Where the Chairman is not independent as determined by reference to the criteria set out in paragraph 7 below, the Board must satisfy itself that the Chairman is so appointed because that person is of such value to the business of the Company that notwithstanding that lack of independence, that person is still regarded as the best person for the job.

### 5.2. Company Secretary

The Company Secretary is responsible for carrying out the administrative and legislative requirements of the Board, including:

- a. organising Board and committee meetings, director attendance and draft notices of meetings and resolutions for approval;
- b. monitoring and evaluating compliance with Board policy and procedures and

- ensuring these are regularly reviewed, as well as advising the Board and its committees on governance matters;
- c. coordinating the completion and despatch of the Board agenda and briefing materials;
  - d. preparing minutes of meetings and resolutions of the Board and taking these to the Chairman for approval and circulation;
  - e. circulating minutes from committee meetings to the Board;
  - f. helping to organise and facilitate the induction and professional development of directors; and
  - g. ensuring the Company complies with its requirements under the *Corporations Act 2001* (Cth) (**Corporations Act**) regarding registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission.

The Company Secretary is accountable directly to the Board through the Chairman on all matters relating to the proper functioning of the Board.

## 6. Delegations of authority

### 6.1. Delegation to committees

Pursuant to Rule 15.10 of the Company's Constitution, the Board may, from time to time, establish committees, consisting of such members as they think fit, to assist in carrying out its responsibilities. The Board shall adopt charters setting out the role, authority, responsibilities, membership and operation of the committee, and any other matters that the Board may consider appropriate.

There are currently two standing committees:

- a. Audit and Risk Committee; and
- b. Remuneration and Nomination Committee;

Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chair of each committee will report back on committee meetings to the Board at the next full Board meeting.

### 6.2. Appointment and re-election of Directors

The process of selection and appointment of new directors to the Board involves, when a vacancy arises, the Remuneration and Nomination Committee identifying candidates with appropriate skills, experience and expertise. Candidates with the skills, experience and expertise that best complement the Board's effectiveness will be recommended for appointment to the Board. When the Board considers that a suitable candidate has been found that person may be appointed by the Board to fill a casual vacancy in accordance with Company's constitution but must stand for election by shareholders at the next annual general meeting.

Before recommending a candidate for appointment to the Board, the Remuneration and Nomination Committee must ensure appropriate background checks (such as criminal record, bankruptcy, education and character reference checks) have been undertaken in respect of the candidate.

Directors and senior executives will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Directors will be expected to participate in any induction or orientation programs on appointment, and any

continuing education or training arranged for them to ensure they develop and maintain skills and knowledge needed to perform their role as directors effectively. In particular, directors are provided with detailed briefings by management on corporate strategy and current issues affecting the Company and the industry in which the Company operates.

Directors must retire from office in accordance with the constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chairman of the Board will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). The Board (excluding the Chairman), will conduct the review of the Chairman.

The Company must disclose the length of service of each director.

## 7. Independence/Conflicts of Interest

### 7.1. Independence

A director is only to be regarded as independent if he or she is a non-executive director and:

- a. is not a substantial shareholder 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;
- c. within the last three years has not been a partner, director or senior employee of a provider of material professional services to the Company;
- d. within the last three years has not been in a material business relationship (e.g. as a supplier or customer) with the Company, or an officer of, or otherwise associated directly or indirectly with, someone with such a relationship;
- e. has no material contractual relationship with a member of the Group other than as a director of the Company;
- f. has no close family ties with any person who falls within any of the categories described above;
- g. has not been a director of the Company for such period that his or her independence may have been compromised; or
- h. is otherwise free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgement or could reasonably be perceived to do so.

All directors are to disclose to the Company, as soon as possible, any information that may affect their independence. Any change to a director's independent status will be disclosed to the market in a timely manner.

All directors - whether independent or not - should bring an independent judgment to bear on all Board decisions.

### 7.2. Conflicts of interest

Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company. All Directors are required to disclose to the Board details of transactions which may create a conflict of interest for them in the decisions placed before the Board, in accordance with the Corporations Act.

A Director who has:

- a. a material personal interest in a matter which relates to the affairs of the Company; or
  - b. any other interest which the Director believes is appropriate to disclose in order to avoid a conflict of interest, or the perception of a conflict of interest,
- may not be present at a meeting when the matter is being considered and may not vote on the matter.

## 8. Board process

### 8.1. Meetings

All Board meetings will be conducted in accordance with the Company's constitution and the Corporations Act.

Each Board meeting is to have a structured agenda to ensure that an appropriate amount of time is spent on corporate governance, committee reports, strategic and policy issues and monitoring of overall business performance.

Directors are to be provided with all necessary information to participate fully in an informed discussion of all agenda items.

Directors are committed to collective decision making but have a duty to question and raise any issues of concern to them. The Chairman of the Board is to encourage all directors to contribute to the discussion of each issue. All discussions are to be conducted in a professional, frank and transparent manner with each director contributing their independent thoughts and judgements in discharging their responsibilities. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.

Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

All Board decisions are to be informed by a Board paper to ensure that appropriate information is provided to enable the best decision to be made. All Directors are generally expected to prepare adequately, attend and participate at each Board meeting. All Directors should actively consider the sufficiency of the contents of the Board papers that they have been provided for consideration.

The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.

Non-executive Directors will periodically meet without executive Directors or management present.

The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable. Time is to be allowed at each meeting for management to provide any updates to the information provided in the Board and Committee papers and Directors are to be encouraged to ask the relevant executive/s any questions they may have in relation to the issue being discussed. The Board may conduct meetings by telephone or video conference.

Minutes of each Board and Committee meeting will be prepared recording the documents provided and decisions made.

## 8.2. Independent professional advice

Following consultation with and consent from the Chairman, Directors may seek independent professional advice at the Company's expense in respect of any matter connected with the discharge of their responsibilities.

The Chairman must not unreasonably withhold consent to obtain advice and must inform the Board of the request as soon as possible.

## 8.3. Access to management

The Directors have complete and open access to management following prior consultation with the Chairman.

## 9. Review and publication of charter

The Board is responsible for reviewing this charter and the division of functions and responsibilities in the Company to determine its appropriateness in light of the needs of the Company from time to time. The charter may be amended by resolution of the Board.

The charter will be made available on the Company's website and the key features of this charter be published in the Company's annual report.

Approved by the Board on or about 10 August 2017.