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The logo for KOLLAKORN features the word "KOLLAKORN" in a bold, grey, sans-serif font. The letter "K" is stylized with a red diagonal element. To the right of the text is a large red triangle pointing to the left, partially cut off by the edge of the page.

**KOLLAKORN CORPORATION  
LIMITED**

**ACN 003 218 862**

**BOARD CHARTER**

## Contents

1	OVERVIEW	3	
2	COMPLIANCE AND GOVERNING MATERIALS		ERROR! BOOKMARK NOT DEFINED.
3	COMPOSITION OF THE BOARD	3	
4	DUTIES AND RESPONSIBILITIES OF THE BOARD	3	
5	DIRECTORS' RESPONSIBILITIES	4	
6	BOARD COMMITTEES	5	
7	THE CHAIR	6	
8	CEO AND SENIOR EXECUTIVES	6	
9	COMPANY SECRETARY	7	
10	MEETINGS	7	
11	ACCESS TO INFORMATION AND INDEPENDENT ADVICE	7	
12	DIRECTOR SHARE TRADING		ERROR! BOOKMARK NOT DEFINED.
13	CORPORATE GOVERNANCE	8	
14	CONFLICTS	9	
15	ANNUAL REVIEW	9	
16	APPROVED AND ADOPTED	9	

## 1 OVERVIEW

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- (a) The board of directors (**Board**) is responsible for the corporate governance of the Company and its controlled entities and to ensure the creation and protection of shareholder value.
- (b) The purpose of this charter is to:
  - (i) promote high standards of corporate governance;
  - (ii) clarify the role and responsibilities of the Board; and
  - (iii) enable the Board to provide strategic guidance for the Company and effective oversight of the management of the company.
- (c) To the extent that there is inconsistency between this charter and the Company's constitution, the constitution will prevail to the extent of that inconsistency.

## 2 COMPOSITION OF THE BOARD

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### 2.1 Number of Directors

In accordance with the Act and the Constitution, the Board must at all times comprise of at least 3 directors.

### 2.2 Independence

- (a) The Board will comprise a majority of independent non-executive directors.
- (b) In assessing a non-executive director's independence, the Board will give due consideration to the factors relevant to assessing independence contained within the ASX Corporate Governance Principles and Recommendations.
- (c) A director should only be characterised and described as an independent director if he or she is free 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 exercise independent judgment and act in the best interests of the Company.
- (d) The Board will regularly assess the independence of each non-executive director and each non-executive director must provide to the Board all information relevant to his or her assessment in this regard.
- (e) The Board will periodically review the mix of skills and diversity represented by Directors and determine whether that mix remains appropriate.
- (f) Nomination and rotation of directors will be governed by the Corporations Act 2001 (**Act**), the ASX Listing Rules (**Listing Rules**) and the Constitution.

## 3 DUTIES AND RESPONSIBILITIES OF THE BOARD

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- (a) 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.
- (b) The Board is responsible for:

- (i) providing leadership and setting the strategic direction of the Company;
- (ii) overseeing Management's implementation of the Company's strategic objectives and its performance generally;
- (iii) appointing and when necessary removing the:
  - (A) the chairperson of the Board (**Chair**);
  - (B) the chief executive officer of the Company (**CEO**) and approving or ratifying the appointment of other senior executives (**Senior Executives**); and
  - (C) the company secretary (**Company Secretary**);
- (iv) evaluating, approving and monitoring the Company's annual budgets and business plans;
- (v) approving and monitoring the progress of major capital expenditure;
- (vi) determining the Company's dividend policy (if any) and overseeing the financing of dividend payments (if any);
- (vii) oversees the integrity of financial accounts and reporting;
- (viii) monitoring the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of its securities;
- (ix) ensuring that the Company has in place an appropriate risk management framework;
- (x) setting the risk appetite within which the Board expects Management to operate;
- (xi) approving the Company's remuneration framework; and
- (xii) monitoring the effectiveness of the Company's governance practises;
- (xiii) monitoring and managing the performance of Senior Executives;
- (xiv) ensuring that appropriate resources are available to Senior Executives;
- (xv) approving and managing succession plans for Senior Executives and other key management positions that may be identified from time to time;
- (xvi) reviewing and monitoring any related party transactions;
- (xvii) monitoring the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements; and
- (xviii) Ensuring the Company operates in compliance with its regulatory environment and good corporate governance practices are adopted.

- (a) Each director of the Company is bound by all the Company's charters, policies and codes of conduct, including:
  - (i) the Code of Conduct;
  - (ii) the Audit and Risk Management Committee Charter;
  - (iii) the Continuous Disclosure Policy;
  - (iv) the Diversity Policy;
  - (v) the Nomination and Governance Committee Charter;
  - (vi) the Remuneration Committee Charter;
  - (vii) the Securities Trading Policy; and
  - (viii) the Shareholder Communication Policy.
- (b) Each director of the Company must also:
  - (i) conduct their duties at the highest level of honesty and integrity;
  - (ii) observe the rule and spirit of the laws and regulations with which the Company is bound to comply;
  - (iii) exercise care and diligence in carrying out their duties;
  - (iv) act in good faith in the best interests of the Company;
  - (v) avoid misusing their position, or information obtained as a result of their position, to gain a benefit for themselves, someone else or to cause harm to the Company;
  - (vi) maintain the confidentiality of all information acquired in the course of conducting their role; and
  - (vii) commit the time necessary to discharge effectively their role as a director.

## **5 BOARD COMMITTEES**

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- (a) The Board has established the following committees to assist it in carrying out its responsibilities and to consider certain issues and functions in detail:
  - (i) Audit and Risk Management Committee;
  - (ii) Remuneration Committee; and
  - (iii) Nomination and Governance Committee.
- (b) Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.
- (c) 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, as well as setting out matters relevant to their composition, responsibilities and administration.

- (d) Each committee will report regularly to the Board in accordance with their respective charters.

## 6 THE CHAIR

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- (a) The Chair will be an independent non-executive director, selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.
- (b) The role of the Chair and the CEO will be exercised by two separate individuals.
- (c) The Chair is responsible for:
  - (i) leadership of the Board;
  - (ii) overseeing the Board in the effective discharge of its supervisory role;
  - (iii) the efficient organisation and conduct of the Board's function and meetings;
  - (iv) promoting constructive and respectful relations between directors and between the Board and the Company's managers (**Management**);
  - (v) communicating the Board's position to shareholders and the public;
  - (vi) facilitating the effective contribution and ongoing development of all directors;
  - (vii) briefing all directors in relation to issues arising at meetings;
  - (viii) chairing general meetings;
  - (ix) monitoring and facilitating reviews of the performance of the Board;
  - (x) ensuring the Board regularly meets to consider the Company performance and key issues facing it; and
  - (xi) committing the time necessary to discharge effectively his/her role as Chair.

## 7 CEO AND SENIOR EXECUTIVES

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- (a) Responsibility for day to day management and administration of the Company is delegated by the Board to the CEO and the Company's other Senior Executives.
- (b) The CEO manages the Company in accordance with the strategy, plans and policies approved by the Board.
- (c) The responsibilities of the CEO include:
  - (i) developing and recommending to the Board strategies, business plans and annual budgets for the Company;
  - (ii) implementing the strategies, business plans and budgets adopted by the Board;

- (iii) providing effective leadership, direction and supervision of the Senior Executive team to achieve the strategies, business plans and budgets adopted by the Board;
  - (iv) managing resources within budgets approved by the Board;
  - (v) ensuring compliance with applicable laws and regulations; and
  - (vi) ensuring the Board is given sufficient information to enable it to perform its functions, set strategies and monitor performance.
- (d) The Board has in place procedures to assess the performance of the CEO and Senior Executives.

## **8 COMPANY SECRETARY**

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- (a) The role of the company secretary includes:
- (i) advising the board and its committees on governance matters;
  - (ii) monitoring that board and committee policy and procedures are followed;
  - (iii) coordinating the timely completion and despatch of board and committee papers;
  - (iv) ensuring that the business at board and committee meetings is accurately captured in the minutes; and
  - (v) helping to organise and facilitate the induction and professional development of directors.
- (b) Each director should be able to communicate directly with the company secretary and vice versa.

## **9 MEETINGS**

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- (a) The Board will meet not less than 4 times per annum and as frequently as may otherwise be required to deal with urgent matters.
- (b) A meeting of the directors may be called in accordance with the requirements of the Company's constitution.
- (c) In advance of each Board meeting, the Company Secretary will prepare an agenda, which is to be approved by the Chair and circulated to the directors.
- (d) Directors are expected to diligently prepare for, attend and participate in all Board meetings.
- (e) As necessary or desirable, the Committee may invite any Senior Executives, Management, auditors, external advisors, or other persons to attend and contribute to meetings.

## **10 ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

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### **4.1 Written Agreement**

Upon appointment, each director and Senior Executive will be provided with a written agreement setting out the key terms of his or her employment.

#### 4.2 Induction Program

Upon appointment, each director will undertake the induction program developed by the Nomination and Governance Committee.

#### 4.3 Ongoing Information

The Chair, CEO, Company Secretary and any other Senior Executives must ensure that updated information is provided to the Board in a timely fashion to enable the directors to effectively discharge their duties.

#### 4.4 Requested Information

- (a) Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making.
- (b) In discharging its role, the Board shall have unrestricted access to:
  - (i) all books and records of the Company; and
  - (ii) all staff, including the Company's managers to seek information and explanations from them; and
  - (iii) the Company's auditors, both internal and external, to seek explanations and information from them without Management being present.

#### 4.5 Independent Advice

- (a) Subject to obtaining the Chair's consent, a director of the Company is entitled to seek independent professional advice (including but not limited to legal, financial or accounting advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities.
- (b) The Chair must not unreasonably withhold or delay consent.
- (c) The Chair may determine that any advice received by an individual director will be circulated to the remainder of the Board.
- (d) 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.
- (e) 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.

## 11 CORPORATE GOVERNANCE

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- (a) The Company's Annual Report will include a Corporate Governance Statement, which will contain all necessary content required by the *ASX Corporate Governance Principles and Recommendations* (as well as explanations of any departures from the *ASX Corporate Governance Principles and Recommendations*).



- (b) As part of an effective communications strategy, the Company will establish and keep current a dedicated section of its website where all relevant corporate governance information can be accessed by the public.

## 12 CONFLICTS

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- (a) Directors 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.
- (b) Directors must:
- (i) disclose to the Board any actual or potential conflict of interest or duty, or matter that might reasonably be thought to exist as soon as the situation arises;
  - (ii) take all necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
  - (iii) comply with all applicable law and the Constitution in relation to disclosing material personal interests and restrictions on voting.
- (c) 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.
- (d) Directors are expected to inform the Chair of any proposed appointment to the board or executive of another company as soon as practicable.

## 13 ANNUAL REVIEW

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- (a) At the end of each annual reporting period, the Board will:
- (i) conduct a self-evaluation of its performance against this Charter;
  - (ii) review this Charter and recommend any changes or improvements if necessary; and
  - (iii) disclose in the Company's annual report:
    - (A) the details and results of any performance evaluations that were undertaken by the Board or Nomination and Governance Committee during the period;
    - (B) any insights gained from those evaluations; and
    - (C) any resulting governance changes that will be implemented.
- (b) This Charter may be amended from time to time by resolution of the Board.

## 14 APPROVED AND ADOPTED

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Date: 1<sup>ST</sup> November 2019

Signed:

  
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 Chairperson of the Board of Directors of Kollakorn Corporation Limited