

# ALLIANCE GROUP LIMITED

## BOARD CHARTER

---

*(Reviewed and amended on 12 June 2019)*

### **1. Introduction**

- 1.1. This charter formalises and sets out the manner in which the board's powers and responsibilities will be exercised and discharged, adopting principles of good corporate governance and practice.

### **2. Role of the Board**

- 2.1. The board is ultimately responsible for setting the strategic direction of the company and oversight of the management of the company with the ultimate aim being to maximise the wealth of shareholders. The board is accountable to shareholders as a whole for the performance of the company.
- 2.2. When exercising powers or performing duties, directors will act in good faith and in what the directors believe to be the best interests of the company.

### **3. Responsibilities of the Board**

- 3.1 In carrying out its principal function, the board's specific responsibilities include:
  - 3.1.1 Approving and overseeing the planning, delivering, monitoring and reviewing of the company's health, safety and environment management systems. All directors will meet their obligations under the Health and Safety At Work Act 2015.
  - 3.1.2 Overseeing the strategic direction recommended by the chief executive and approving the company's business strategies and objectives;
  - 3.1.3 Overseeing and approving the company's budgets and business plans and monitoring the management of the company's capital, including the progress of any major capital expenditures, acquisitions or divestitures;
  - 3.1.4 Providing leadership of the company within a framework of prudent and effective controls which enables risk to be assessed and managed;
  - 3.1.5 Ensuring management have identified 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;
  - 3.1.6 Monitoring the operational performance and financial position of the company;

- 3.1.7 Requiring that financial and other reporting mechanisms are put in place by the chief executive which result in adequate, accurate and timely information being provided to the board;
  - 3.1.8 Appointing and, where appropriate, removing the chief executive, approving other key executive appointments that the board may designate from time to time and monitoring the performance of the chief executive, having regard to the company's strategic direction and goals;
  - 3.1.9 Overseeing and approving the company's People strategy including organisation structure, performance, succession planning, development, diversity and remuneration strategy and policies;
  - 3.1.10 Establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
  - 3.1.11 Adopting procedures to ensure compliance with all laws, governmental regulations and accounting standards;
  - 3.1.12 Approving and overseeing the company's internal decision-making and compliance policies and procedures, including any codes of conduct, this board charter and the terms of reference of the board's committees; and
  - 3.1.13 Ensuring that the company's internal controls and compliance policies and procedures are adhered to, and that the business of the company is conducted in an open and ethical manner.
- 3.2 To facilitate the independent judgment of directors, the board has a policy that permits each director to take independent professional advice, if necessary, at the company's expense.

#### **4. Delegation of Responsibilities to Management**

- 4.1 The board delegates management of the day-to-day affairs and management responsibilities of the company to the chief executive and other executives of the company to deliver the strategic direction and goals approved by the board. This delegation includes:
- 4.1.1 To the extent permitted by law, ensuring the company creates a safe and healthy environment including use of process safety management, and that work is carried out safely, teaching and encouraging employees and contractors to think and act safely and to put their safety and health first;
  - 4.1.2 Operating the company's business within the parameters set by the board from time to time and, where a proposed transaction, commitment or arrangement exceeds these parameters, referring the matter to the board for its consideration and approval;
  - 4.1.3 Developing business plans, budgets and company strategies for the board's consideration and, to the extent that they are approved by the board, implementing these plans, budgets and strategies;

- 4.1.4 Identifying and managing business risks, and if those risks could materially affect the company or its business, formulating strategies to manage those risks;
- 4.1.5 Managing the company's current financial and other reporting mechanisms to ensure that they are functioning effectively to capture all relevant material information on a timely basis; and
- 4.1.6 Implementing the company's internal controls, policies and procedures and monitoring these controls, policies and procedures and ensuring that they are appropriate and effective.

## **5. Delegation of Responsibilities to Committees**

- 5.1 The board may, from time to time, establish formal committees of the board to assist it in carrying out its responsibilities. For each committee the board shall adopt formal terms of reference that set out the delegated functions and responsibilities for, and the composition and any administrative matters relating to, that committee. The board currently has an audit and risk committee and a people committee as formal committees.
- 5.2 The board is responsible for the oversight of its committees. This oversight shall include, in relation to each committee, determining and reviewing its composition and structure and regularly reviewing its performance against its terms of reference.

## **6 Board Membership**

- 6.1 The constitution provides that there shall be not more than ten directors of the company, of which not less than six directors, nor more than eight directors, shall be elected directors. Subject to these limitations, the number of directors to hold office will be fixed from time-to-time by the board.
- 6.2 Provided that the total number of directors does not exceed ten, the board may from time-to-time appoint up to four independent directors to the board to ensure that the board comprises directors with an appropriate range of skills and experience.
- 6.3 One-third of the elected directors retire by rotation each year and may stand for re-election. Independent directors are normally appointed for terms of three years. Elected directors will normally have a maximum tenure of twelve years (four terms of three years) and independent directors will normally have a maximum tenure of nine years (three terms of three years). In accordance with the constitution, directors shall retire at the next annual meeting of the company after attaining the age of seventy years.

## **7 Chairperson**

- 7.1 The directors shall elect one of their number as chairperson of the board on an annual basis.

## **8 Directors' Fees**

- 8.1 Directors' fees will normally be reviewed annually to maintain parity with fees paid to directors of other companies of similar size and complexity. Directors' fees will be on the agenda for the annual meeting each year whether or not an increase in directors' fees is being recommended for approval.

## **9 Independent Directors**

- 9.1 The specific skills required for independent directors and the appointments of independent directors are to be reviewed and identified using a skills matrix. The review process for individual independent directors should include all elected and independent directors other than the independent director being reviewed.

## **10 Director Elections**

- 10.1 A summary of the general skills required by directors is to be sent to shareholders who request a nomination form for director elections. The company will print candidates' statements and distribute the statements with the voting papers for director elections.
- 10.2 The services provided by the company to candidates for director elections are to be reviewed from time to time. These services are to be provided to all candidates on an impartial basis.
- 10.3 The services of an external independent elections management company and electronic/internet voting will be used as deemed appropriate by the board.

## **11 Casual Vacancy Appointments**

- 11.1 The board may make an appointment to fill a casual vacancy on the board under the provisions of the constitution.

## **12 Meetings**

- 12.1 The board shall meet as often as it considers appropriate, but it is expected that ten board meetings per annum will be sufficient to provide for good governance of the company.

### **13 Performance Evaluation**

13.1 The board shall from time to time undertake a performance evaluation of itself that reviews:

13.1.1 The performance of the board's committees;

13.1.2 The performance of individual directors;

13.1.3 The performance of the chairman and the board as a whole; and

13.1.4 The board's adherence to this board charter.

13.2 The performance evaluation shall be conducted in such a manner as the board deems appropriate.

### **14 Review and amendments to this board charter**

14.1 The board will from time to time review and may, by majority vote, agree to amend this board charter.