

# Board Charter

## 1. Introduction

- 1.1 This Board Charter sets out the functions and responsibilities of the Board and Senior Management of the Company.
- 1.2 This Board Charter was adopted by the Board on 28<sup>th</sup> of July 2015 and will be reviewed at least annually and revised by the Board as required.

## 2. Definitions

- (1) **ASX** means the Australian Stock Exchange;
- (2) **Best Practice Recommendations** means the ASX Principles of Good Corporate Governance and Best Practice Recommendations for Australian listed companies;
- (3) **Board** means the board of directors of the Company;
- (4) **CFO** means the Chief Financial Officer;
- (5) **Chairperson** means the chairperson of the Board;
- (6) **Company** means Noni B Limited ACN 003 321 579;
- (7) **MD** means the Managing Director; and
- (8) **Senior Management** means as the context requires, the executive directors, the CFO/Company Secretary, and the general managers of the Company.

## 3. Responsibilities of the Board

- 3.1 The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, goals for management and the operation of the Company. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include:
  - (1) oversight of the Company, including its control and accountability systems;
  - (2) setting the strategic direction of the Company;

- (3) appointing and removing the Managing Director;
- (4) ensuring that the Company complies with its regulatory obligations and ethical standards by providing overall policy guidance;
- (5) ensuring that policies for corporate governance and risk management are in place with the aim of protecting shareholder funds and the prudent management of Company assets;
- (6) setting, and monitoring performance against, the budgets, the financial objectives and performance targets for the Company;
- (7) setting and monitoring the Company's programmes for succession planning and key executive development;
- (8) approving the acquisition and disposal of major assets if not already provided for in the budgets approved by the Board;
- (9) ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and the Company Secretary;
- (10) monitoring Senior Management's performance and implementation of strategy and ensuring appropriate resources are available to fulfil the Company's objectives;
- (11) approving any issues of securities, and entering into material financial arrangements, including loans and debt issues;
- (12) approving the nominations of Directors to the Board and the appointment of Senior Management;
- (13) determining profits to be retained and profits to be paid out as dividends;
- (14) appointing and overseeing various Board sub-committees including the Audit and Risk Management Committee and the Remuneration Committee; and
- (15) approving and monitoring the Company's financial and other reporting.

#### **4. Composition of the Board**

##### **4.1 Size**

- (1) The Board currently comprises four (4) directors. This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.

##### **4.2 Independent directors**

- (1) The majority of directors of the Company are not required to be independent, non-executive directors.
- (2) An independent director is a non-executive who satisfies the following criteria:

- (a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company (as defined in section 9 of the *Corporations Act*);
- (b) is not, and has not been, within the last 3 years, employed in an executive capacity by the Company or another group member;
- (c) is not, and has not been, within the last 3 years, a principal or employee of a material professional adviser or a material consultant to the Company or another group member;
- (d) is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;
- (e) has no material contractual relationship with the Company or another group member other than as a director of the Company; and
- (f) is free from any interest and any business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company.

#### 4.3 **Expertise**

- (1) The Board shall ensure that, collectively, it has the appropriate range of expertise to properly fulfil its responsibilities, including:
  - (a) accounting;
  - (b) finance;
  - (c) business;
  - (d) the Company's industry; and
  - (e) MD-level experience.
- (2) The Board shall review the range of expertise of its members on a regular basis and ensure that it has operational and technical expertise relevant to the operation of the Company.

#### 5. **Appointment of Directors**

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

5.2 The Board is responsible for:

- (1) identifying nominees for directorships and other key executive appointments;
- (2) the composition of the Board;
- (3) ensuring that appropriate induction and education procedures exist for new Board appointees;

- (4) ensuring that appropriate procedures exist to assess and review the performance of the Chairperson, non-executive directors, Senior Management, Board committees and the Board as a whole;
  - (5) ensuring that there is a process in place for selecting and appointing new directors and Senior Management.
- 5.3 Subject to the number of directors allowed under the Company's Constitution, a director may be appointed by an ordinary resolution of the Company in general meeting. In the situation of a vacancy occurring between such election, the Board will appoint a replacement director. Such director will only hold office until the next Annual General Meeting of the Company.
- 5.4 The terms and conditions of the appointment and retirement of members of the Board will be set out in a letter of appointment, which shall include the following matters:
- (1) the term of the appointment, subject to member approval;
  - (2) time commitments envisaged;
  - (3) the powers and duties of directors;
  - (4) any special duties or arrangements attaching to the position;
  - (5) circumstances in which an office of director becomes vacant;
  - (6) expectations regarding involvement with committee work;
  - (7) remuneration and expenses;
  - (8) superannuation arrangements;
  - (9) the requirement to disclose directors' interests and any matters which affect the director's independence;
  - (10) fellow directors;
  - (11) trading policy governing dealings in securities (including any share qualifications) and related financial instruments by directors, including notification requirements;
  - (12) access to independent professional advice;
  - (13) indemnity and insurance arrangements;
  - (14) confidentiality and rights of access to corporate information; and
  - (15) a copy of the Company's Constitution.

## 6. **Nomination, appointment and removal**

### 6.1 **Board composition**

The Board is responsible for ensuring that the Board is of a size and composition that allows for:

- (1) decisions to be made expediently;
- (2) a range of different perspectives to be put forward regarding issues before the Board;
- (3) a range of different skills to be brought to Board deliberations; and
- (4) Board decisions to be made in the best interests of the Company as a whole rather than of individual shareholders or interest groups.

## 6.2 **Board commitment**

The Board is responsible for monitoring, on an ongoing basis, the time required from non-executive directors and the extent to which non-executive directors are meeting these requirements.

Prior to the nomination of prospective non-executive directors, the Board must obtain from the prospective candidate:

- (1) details of other commitments of the prospective candidate and an indication of the time involved; and
- (2) an acknowledgement that the prospective candidate will have sufficient time to meet the requirements of non-executive directors of the Company.

## 6.3 **Election of directors**

The Board must ensure that any notice of meeting relating to the election of directors provides the Company's shareholders with the information necessary to allow the shareholders to make an informed decision on the election.

The Board must ensure that non-executive directors are appointed for specific terms subject to re-election and to the ASX Listing Rules and the *Corporations Act 2001* provisions regarding the removal of directors.

## 6.4 **Induction and education procedures**

The Board must implement an appropriate induction process for new Board appointees.

## 6.5 **Evaluation and review**

The Chairperson is responsible for the:

- (1) evaluation and review of the performance of the Board and its committees (other than the Chairperson);
- (2) evaluation and review of the performance of individual directors (other than the Chairperson);

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

- (1) evaluation and review of the performance of the Chairperson; and
- (2) review of the effectiveness and programme of Board meetings.

## **7. Independent professional advice**

- 7.1 To facilitate independent judgement in decision-making, each director has the right to seek independent professional advice at the Company's expense. However, prior approval from the Chairperson is required, which may not be unreasonably withheld.

## **8. Allocation of responsibilities**

### **8.1 Chairperson**

- (1) The Board elects the Chairperson in accordance with the Constitution.
- (2) The Chairperson will be non-executive director who is selected on the basis of the person's achievements and record as a leader.
- (3) The roles of the Chairperson and the MD may not be exercised by the same individual.
- (4) The position of Chairperson will be reviewed by the Board at the first Board meeting following the Annual General Meeting.
- (5) The Chairperson is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function, and for the briefing of all directors in relation to issues arising at Board meetings.
- (6) The Chairperson's specific duties are to:
  - (a) chair Board meetings. If the Chairperson is not present within 15 minutes after the time appointed for the holding of that meeting, a director chosen by a majority of directors present shall assume this role;
  - (b) establish the agenda for Board meetings in consultation with the MD;
  - (c) ensure Board minutes properly reflect Board decisions;
  - (d) be the spokesperson for the Company at the Annual General Meeting and in the reporting of performance and profit figures; the MD or the MD's nominee will undertake all other public relations activities;
  - (e) be the major point of contact between the Board and the MD;
  - (f) be kept fully informed of current events by the MD on all matters which may be of interest to directors;
  - (g) regularly review with the MD and such other Senior Management as the MD recommends, progress on important initiatives and significant issues facing the Company;
  - (h) provide mentoring for the MD;
  - (i) commence the annual process of Board and director evaluation; and
  - (j) in accordance with the Constitution, have a casting vote.

- (7) The Chairperson is not entitled to vote or participate in the deliberations on any matter in which he or she has a personal interest, unless there is compliance with the conflict of interest provisions under the Constitution of the Company and under the Corporations Act 2001.
- (8) The Chairperson may be removed from office in accordance with the Company's Constitution.

## 8.2 Individual directors

In accordance with statutory requirements and in keeping with developments at common law, directors have the following responsibilities:

- (1) exercise their powers and discharge their duties in good faith and in the best interests of the Company;
- (2) use their powers of office for a proper purpose and not for personal advantage or for the benefit of another party;
- (3) use due care and diligence;
- (4) make a reasonable effort to become and remain familiar with the affairs of the Company;
- (5) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- (6) commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Company, without placing undue reliance on other directors to fulfil these duties.

## 8.3 The MD

- (1) The term MD and CEO are interchangeable
- (2) The MD is appointed by the Board.
- (3) The MD is responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board.
- (4) The MD's responsibilities include:
  - (a) developing with the Board, a consensus for the Company's vision and direction;
  - (b) constructing, with Senior Management, programs to implement this vision;
  - (c) negotiating the terms and conditions of appointment of the Senior Management for Board approval;
  - (d) appointing the general managers of the Company;

- (e) endorsing the terms and conditions of appointment of all other staff members;
  - (f) providing strong leadership to, and effective management of, the Company in order to:
    - (i) encourage co-operation and teamwork;
    - (ii) build and maintain staff morale at a high level; and
    - (iii) build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
  - (g) ensuring a safe workplace for all personnel;
  - (h) ensuring a culture of compliance generally, and specifically in relation to environmental matters;
  - (i) carrying out the day-to-day management of the Company;
  - (j) forming other committees and working parties from time to time to assist in the orderly conduct and operation of the Company;
  - (k) keeping the Board informed, at an appropriate level, of all the activities of the Company; and
  - (l) seeking to ensure that all personnel act with the highest degree of ethics and probity.
- (5) The MD is formally delegated by the Board to authorise all expenditures as approved in the budget, except that all MD remuneration, outside of normal monthly remuneration, must be authorised by the Chairperson.

#### **8.4 Company Secretary**

- (1) The Company Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Company Secretary holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively.
- (2) The Company Secretary is appointed in accordance with the Company's Constitution. The Company Secretary is directly accountable to the Board, through the chair on all matters to do with the proper functioning of the Board
- (3) The specific tasks of the Company Secretary include:
  - (a) ensuring that the agenda and briefing materials for board meetings are prepared and forwarded to directors in a timely and effective manner;
  - (b) recording, maintaining and distributing the minutes of all Board and Board subcommittee meetings as required;
  - (c) preparing for and attending all general meetings of the Company and ensuring that the correct procedures are followed;



- (d) recording, maintaining and distributing the minutes of all annual and other general meetings of the Company;
- (e) meeting statutory reporting requirements in accordance with relevant legislation; and
- (f) any other services the MD or Chairperson may require.

## 9. MD & CFO Assurances

- 9.1 It is the responsibility of both the MD (or equivalent) and the CFO (or equivalent) to provide written assurances to the board as set out under Principle 4 and Principle 7 in the Company's Corporate Governance Statement.

## 10. Committees

- 10.1 To assist with the execution of its responsibilities, the Board has the authority to establish and determine the powers and functions of the committees of the Board, including the Audit and Risk Management Committee and the Remuneration Committee. Each board committee has documented a charter, approved by the Board, setting out its responsibilities.

### 10.2 Remuneration Committee

- (1) The role and responsibilities, composition, structure and membership requirements of the Remuneration Committee are set out in detail in a Remuneration Committee Charter approved by the Board.
- (2) The Remuneration Committee consists of a minimum of two members. The Committee should be chaired by a non-executive director.
- (3) The responsibilities of the Remuneration Committee include reviewing and making recommendations in respect of:
  - (a) executive remuneration and incentive policies;
  - (b) the remuneration packages of Senior Management;
  - (c) the Company's recruitment, retention and termination policies and procedures for Senior Management;
  - (d) incentive schemes;
  - (e) superannuation arrangements; and
  - (f) the remuneration framework for directors.

### 10.3 Audit and Risk Management Committee

- (1) The role and responsibilities, composition, structure and membership requirements of the Audit and Risk Management Committee are documented in a separate Audit and Risk Management Committee Charter approved by the Board.

- (2) The Audit and Risk Management Committee consists of:
  - (a) an independent chairperson, who is not the Chairperson of the Board;  
and
  - (b) at least 2 members.
- (3) The Audit and Risk Management Committee must review the integrity of the Company's financial reporting and oversee the independence of the external auditors.

#### 10.4 **Code of conduct for directors and Senior Management**

- (1) To promote ethical and responsible decision-making, the Board must implement company wide policies and standards and a code of conduct for directors and Senior Management as to the practices necessary to maintain confidence in the Company's integrity and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
- (2) The code of conduct for Directors and Senior Management shall deal with the following areas:
  - (a) conflicts of interest;
  - (b) confidentiality; and
  - (c) dealings in the Company's securities; and
  - (d) encouraging the reporting of unlawful, unethical behaviour.
- (3) Directors and the Senior Management must comply with the code of conduct and demonstrate commitment to the code and consistency in its execution. Adherence to the code of conduct must be periodically evaluated by the Chairperson and action taken where necessary.

#### 11. **Continuous Disclosure**

- 11.1 The Board and Senior Management shall comply with the Company's Continuous Disclosure Policy.