



# ADELAIDE BRIGHTON LIMITED

ACN 007 596 018

## BOARD CHARTER AND RELATIONSHIP WITH MANAGEMENT

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### 1 Role of the Board

- Representing and serving the interests of shareholders by overseeing and appraising the strategies, policies and performance of the company (including establishing goals for management and reviewing management performance).
- Protecting and optimising company performance and building sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by the company's constitution and by law.
- Setting the company's values and standards, including monitoring compliance with ethical standards and regulatory requirements.
- Ensuring shareholders are kept informed of the company's performance and major developments affecting its state of affairs.

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### 2 Responsibilities of the Board

2.1 Responsibilities/functions of the Board include:

- (a) selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning for the successor of, the Group Managing Director (MD);
- (b) reviewing procedures in place for appointment of senior management and monitoring of its performance, and reviewing executive development activities. This includes ratifying the appointment and the removal of the Chief Financial Officer and the Company Secretary;
- (c) input into and final approval of management development of corporate strategy, including setting performance objectives and approving operating budgets;
- (d) reviewing and guiding systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures in place to identify the main risks associated with the company's businesses and the implementation of appropriate systems to manage these risks;
- (e) monitoring corporate performance and implementation of strategy and policy;
- (f) approving major capital expenditure, acquisitions and divestitures, cessation of any significant business activity and monitoring capital management;
- (g) monitoring and reviewing management processes in place aimed at ensuring integrity of financial and other reporting and oversight of communications with shareholders (including financial reporting);

- (h) monitoring and reviewing policies and processes in place relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards;
- (i) formulating the company's policy in relation to, and monitoring the implementation of sustainable resource use and the impact of the company's operations on the environment, community and stakeholders; and
- (j) performing such other functions as are prescribed by law or are assigned by the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, a director, employee or other person subject to ultimate responsibility of the directors under the Corporations Act.

2.2 Matters which are specifically reserved for the Board or its committees include the following:

- appointment of a chair;
- appointment and removal of the MD;
- appointment of directors to fill a vacancy or as additional director;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- corporate governance principles and policies;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders;
- any other specific matters nominated by the Board from time to time.

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### **3 Relationship with management**

- It is fundamental that management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. It follows that directors are entitled to request additional information at any time where they consider it appropriate.
- Ultimate responsibility for management and control rests with the directors.
- The Board may meet from time to time without presence of management.
- Directors may delegate their powers as they consider it appropriate.
- The management function is conducted by, or under the supervision of, the MD as directed by the Board (and by other officers to whom management function is properly delegated by the MD).
- The Board approves corporate objectives for the MD to meet and, jointly with the MD, develops the duties and responsibilities of the MD with limits to management's authorities.
- Where a director seeks to provide information about business opportunities or introductions to the company, this should be done through the MD with the Chairman also being informed.

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## **4 Committees**

The Board may establish Committees to streamline the discharge of its responsibilities and, where appropriate, adopt a formal charter setting out the responsibilities and composition of each Committee.

The Board has to date established:

- a Nomination and Remuneration Committee;
- an Audit, Risk and Compliance Committee;
- a Safety, Health and Environment Committee;
- a Corporate Governance Committee; and
- the Independent Director's Committee.

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## **5 Review of Charter**

This charter shall be reviewed by the Board as required and at least annually.