

## QUICKSTEP HOLDINGS LIMITED ('COMPANY')

# BOARD CHARTER

### 1. PURPOSE

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This Charter sets out the authority, responsibilities, membership and operation of the Board of Quickstep Holdings Limited (the Company).

The Board is responsible for the governance of the Company and has developed principles relating to:

- the role of the Board and matters specifically reserved for Board decision-making;
- those authorities which may be delegated to Committees of the Board;
- the authorities of the Chief Executive Officer;
- the authorities of management; and
- the Board's own performance, operations, procedures and membership.

This Charter outlines those principles.

### 2. ROLE AND RESPONSIBILITIES OF THE BOARD

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The Board's role is to:

- act in the best interests of the Company;
- represent and serve the interests of shareholders by guiding and monitoring the Company's strategies, policies and performance;
- set, review and monitor the Company's values and culture; and
- keep shareholders informed of the Company's performance and major developments which affect it.

To accomplish its role, the Board is responsible for:

- approving the strategic direction, policies and operational and capital expenditure budgets of the Company;
- approving major investments and monitoring the return of those investments;
- monitoring financial performance and operations of the Company, including approval of the annual and half year financial statements and reports;
- appointing the Managing Director/Chief Executive Officer, monitoring the performance of the Managing Director/Chief Executive Officer and senior executives and holding them accountable for the Company's performance;
- overseeing, remuneration, development and succession planning for the Managing Director/Chief Executive Officer;
- overseeing the appointment, remuneration, development and succession planning of senior executives and monitoring the appropriateness of people management systems;
- overseeing the identification of key risks in the operations of the Company, approving the risk management systems, monitoring the efficiency and effectiveness of those systems, setting the appropriate risk appetite within which the Board expects management to operate, and ensuring management operates within that risk appetite;
- reviewing and approving the Company's compliance systems;
- developing and overseeing the Company's corporate governance principles;
- appointing the external auditor (where applicable, based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board be ratified by shareholders at the next annual general meeting of the Company if required by Corporations Law or other applicable legislation;
- monitoring and ensuring compliance with all of the Company's legal obligations, in particular those obligations relating to Corporate Social Responsibility including ,environment, diversity, native title, cultural heritage and occupational health and safety;
- monitoring and overseeing discussions with third parties with respect to potential mergers, acquisitions and takeovers, ensuring such discussions are conducted so as to avoid a potential conflict of interest for management of the Company, and;
- providing guidance and oversight for continuous improvement activities across the business;
- acting to protect and enhance the reputation of the Company.

The Board may establish other policies and practices to ensure that the Board fulfils its functions and ensuring that it remains an effective decision-making body.

### **3. ROLE AND RESPONSIBILITIES OF MANAGEMENT**

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The role of management is to manage and control the day to day operation of the Company. To do so, management is responsible for:

- implementing the strategies, plans and budgets approved by the Board;
- operating within the risk appetite approved by the Board; and
- providing the Board with timely, accurate and clear information to enable the Board to perform its responsibilities.

### **4. ROLE AND RESPONSIBILITIES OF THE CHAIR**

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The role of the Chair is to provide leadership to the Board, including encouraging a culture of openness and debate to foster a high-performing and collegial team of Directors who operate effectively. To discharge this role, the Chair is responsible for:

- facilitating the relationship and communication between the Board and management both through the Chief Executive Officer and directly with the senior executives;
- managing the efficient organisation and conduct of the Board's function and meetings;
- overseeing regular and effective evaluations of the Board's performance;
- overseeing the induction and continuing education programs for the Board; and
- exercising such specific and express powers as delegated to the Chair by the Board from time to time.

### **5. ROLE AND RESPONSIBILITIES OF THE COMPANY SECRETARY**

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The role of the Company Secretary is to act as secretary of the Board and its formal committees. The Company Secretary is selected and appointed by the Board and accountable to the Board, through the Chair, on corporate governance matters and all matters to do with the proper functioning of the Board.

All Directors have access to the Company Secretary.

## **6. DELEGATIONS**

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The Board retains all rights and powers conferred upon it by the Constitution and by law which cannot be delegated.

The Board may delegate their powers as they consider appropriate. However, ultimate responsibility for strategy and controls rests with the Board.

### **6.1 Delegation to Committees**

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The Board may from time to time establish Committees to assist it in carrying out its responsibilities.

Current standing Committees established by the Board are:

- Audit, Risk and Compliance Committee;
- Remuneration, Nomination and Diversity Committee.

Each of these Committees has its own written Charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the Committee is to operate. All Charters of these Committees are to be reviewed regularly and made available on the Company's website.

The Audit, Risk and Compliance Committee will comprise only Non-executive Directors, the majority of whom are independent Directors. The Chair of the Audit, Risk and Compliance Committee cannot be the Chair of the Company. The Remuneration, Nomination and Diversity Committee will comprise only Non-executive Directors, the majority of whom are independent Directors.

The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis by resolution.

### **6.2 Delegation to the Chief Executive Officer**

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As permitted by the Company's Constitution, the Board has delegated to the Chief Executive Officer all those powers and authorities required to manage and control the day to day operation of the Company, except those expressly reserved to the Board or one of its Committees as described in sections 7.1 and 7.3 of this Charter. These delegation levels are periodically reviewed by the Board.

### 6.3 Powers reserved to the Board

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

- appointment and removal of the Chair of the Board;
- appointment and removal of the Chief Executive Officer;
- appointment of Directors to fill a vacancy or as additional Directors;
- establishment of Board Committees, their membership, Charters and delegated authorities;
- approval of the Company's Values Statement and Code of Conduct
- approval of dividends and dividend policy;
- the issue of equity or equity-like instruments;
- Treasury policies, including foreign current exposure and policies on the use of financial derivatives
- review of corporate governance principles, policies and related public documents;
- approval of the Company's annual operational and capital expenditure budgets;
- approval of expenditure in excess of the monetary authority levels delegated to management;
- calling of meetings of shareholders;
- expansion of the Company's activities into new geographic areas involving substantial sovereign risk or new, non-core and substantive businesses;
- approval to hold any shares or interest in a body corporate or partnership, joint venture or other approval association of persons;
- The sale, exchange, mortgaging or charging of land;
- Acquisitions or disposal of assets which exceed the authority limits delegated to the Chief Executive Officer or the Chief Financial Officer;
- Establishment of new banking facilities, and borrowings, either new or the rollover of any existing borrowings;
- Formation or acquisition of business entities and subsidiaries;
- Restructuring, winding up or sale of business entities, divisions and subsidiaries;
- The prosecution, defence or settlement of litigation which is substantial in terms of its implication;
- Determination of the remuneration of Non-executive Directors (subject to shareholder approved limits), the Chief Executive Officer and any executive Director;
- Recruitment or change of remuneration of any Senior Executives
- disclosure of information to the market, as set out in the Company's Continuous Disclosure Policy;

- any changes to the authority delegated to the Chief Executive Officer by the Board; and
- any other specific matters nominated by the Board from time to time.

## **7. BOARD STRUCTURE**

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The Constitution governs the regulations and proceedings of the Board.

### **7.1 Board Composition**

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The Board, based on advice from the Remuneration, Nomination and Diversity Committee, determines the size and composition of the Board subject to the terms of the Company's Constitution.

It is intended that the Board should comprise Directors, a majority of whom are independent Non-executive Directors, with a broad range of skills, diversity, expertise and experience from a range of backgrounds to understand the activities of the business and provide appropriate guidance in the context of the Company's operations and activities.

The Chair of the Board should be an independent Non-executive Director.

Where the Chair of the Board is not an independent Director, the independent Non-executive directors are to nominate a Senior Independent Director to fulfil the role of Chair whenever the Chair of the Board is conflicted.

### **7.2 Independence**

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The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non-executive Director to the Board.

A Director is considered to be independent for the purposes of service on the Board and Board

Committees if the Director satisfies the criteria adopted by the Board from time to time to assist it in its regular 'independence' determinations. A current copy of the criteria to assess the independence of Directors is available on the website.

### **7.3 Disclosure of interest**

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A Director must disclose to the Board:

- any material personal interest that he or she or any associate may have in a matter that relates to the affairs of the Company; and
- any other interest or relationship that may affect the Director's independence.

### **7.4 Election and re-election**

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The Constitution and the ASX Listing Rules govern the election and re-election of Directors.

New Directors are provided with formal letters setting out the key terms and conditions of their appointment.

Directors are invited to participate in induction programs and any continuing education arranged for them.

### **7.5 Meetings**

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The Board is structured to facilitate the effective discharge of its duties and to add value through its deliberations. The Board shall meet as required but will usually meet at least eight times each year.

Non-executive Directors should periodically meet without the presence of the Executive Directors or management to address such matters as succession planning, key strategic issues, and Board operation and effectiveness.

### **7.6 Access to information and advice**

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All Directors have access to Company employees, advisers and records. In carrying out their duties and responsibilities, Directors have access to advice and counsel from the Chair and the Company Secretary and are able to seek independent professional advice at the Company's expense, after consultation with the Chair.

### **7.7 Performance evaluation**

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The Board, through the Remuneration, Nomination and Diversity Committee, will review the performance of each Director annually. Where the director is retiring by rotation and seeking re-election under the Constitution each year, the results of this will form the basis of the Board's recommendation to shareholders at the Annual General Meeting.

Annually, the Directors will also conduct performance evaluations of the Board as a whole, Board Committees and the governance processes which support the Board.

## **8 APPROVAL AND REVIEW OF CHARTER**

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The Board shall review the Board Charter periodically to ensure its relevance and effectiveness.

The Board Charter is to be made available to shareholders on the Company's website.

Sponsor: <b>Tony Quick</b>	Title: <b>Chair</b>	Review Date: <b>August 2019</b>
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