

## **BOARD CHARTER**

### **PURPOSE OF THE CHARTER**

The purpose of the Board is to govern SECOS Group Limited and its subsidiaries ('Company') rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

### **AUTHORITY**

The Board has the authority to meet with appropriate personnel, obtain relevant records, and discuss matters with internal and external auditors, senior management and, where necessary, independent experts.

### **ROLE AND RESPONSIBILITIES**

The Board's responsibilities include:

- oversight of the Company, including its control and accountability systems;
- setting the Company's major goals including the strategies and financial objectives to be implemented by management;
- monitoring senior management's performance and implementation of strategy, and ensuring that appropriate resources are available;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- ensuring the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market
- the establishment and maintenance of appropriate ethical standards and
- and other corporate governance matters

### **BOARD NOMINATIONS**

- The Board will consider nominations for appointment or election of Directors that may arise from time to time, having regard to the skills and experience required by the Company and procedures outlined in the Company's Constitution and the Corporations Act 2001 (Cth).
- The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a Director. Candidates are assessed through interviews, meetings and background and reference checks (which may be conducted both by external consultants and by Directors) as appropriate.
- The Company gives shareholders all material information in its possession relevant to the decision on whether or not to elect (or re-elect) a Director, either in the notice of the meeting at which the election of the Director is to be held, or by including in the notice a clear reference to the location on the Company's website, Annual Report or other document lodged with ASX where the information can be found.

## COMPOSITION

- The Constitution requires a minimum number of three Directors. The maximum number of Directors is fixed by the Board but may not be more than eight Directors, unless the members of the Company, in a general meeting, resolve otherwise.
- A quorum is three members or any greater number determined by the Board.
- The Board has been formed so that it has an effective mix of personnel who are committed to discharging their responsibilities and duties and being of value to the Company. The Directors periodically review whether the size and composition of the Board remains appropriate to the Company's activities and operating environment.
- The Board considers the independence of directors having regard to the relationships listed in Corporate Governance Principles and Recommendations published by the ASX.
- The Board ideally will comprise of a majority of independent directors, however, due to its size and nature may not be practical to do so.
- Where any Director has a material personal interest in a matter, in accordance with the Corporations Act 2001, the Director will not be permitted to be present during discussion of that matter or to vote on it. The enforcement of this requirement aims to ensure that the interest of shareholders as a whole, is pursued and that neither their interest nor the Director's independence is adversely affected.

## INDUCTION AND PROFESSIONAL DEVELOPMENT

- Procedures for induction of new directors are in place to allow new directors to participate fully and actively in board decision making at the earliest opportunity.
- All Directors, upon appointment, are offered an induction program appropriate to their experience upon appointment so as to familiarize them with matters relating to the business, strategy and any current issues under consideration by the Board. This program consists of written background material on the Company, its products, services and operations, scheduled meetings with the Chairman and the Chief Executive Officer of the Company.
- Directors collectively or individually have the right to seek independent professional advice at the Company's expense, subject to the prior approval of the Chairman; to assist them to carry out their responsibilities. All advice obtained is made available to the full Board.
- The Board is to hold regular meetings, generally monthly and holds additional meetings whenever necessary to deal with specific matters requiring attention. Each member of the Board is to keep confidential all information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorized or legally mandated.
- All Directors have access to company records and information and receive regular detailed financial and operational reports from senior management.
- The Company Secretary is available to all Directors and may be consulted on on-going issues of corporate governance, the SECOS constitution and the law. Management is available to discuss reports, and any issue arising from management of the Company's operations, with the Board as required.

## **ACCESS AND ADVISERS**

- The Board has unrestricted access to all records and staff of the SECOS Group and its subsidiaries has the right to seek explanations and additional information from Management and auditors.
- The CFO attends the Board meetings by invitation. Other SECOS executives may be invited to attend meetings of the Board. SECOS executives (including the CEO) shall not be present when issues relating to them individually are discussed.
- The Chair will directly seek independent, professional or other advice as required for the Board to carry out its responsibilities.

## **RELATIONSHIP WITH OTHER SECOS GROUP GOVERNANCE FORUMS**

- The Risk and Audit Committee and Remuneration Committee reports to the Board. The Board receives committee meeting minutes and reporting on matters which have been delegated to the committees by the Board.

## **REVIEW**

- The Board will review the Charter annually to keep it up to date and consistent with the Board's authority, objectives and responsibilities.