



BOARD CHARTER

Empired Ltd

BOARD CHARTER

1. Introduction

1.1 The Board has the following overall responsibilities:

- (a) charting the direction, strategies and financial objectives for the Company and monitoring the implementation of those policies, strategies and financial objectives; and
- (b) monitoring compliance with regulatory requirements and ethical standards.

1.2 Within the context of the overall responsibilities set out in section 1.1, and in addition to matters expressly required by law to be approved by the Board, the Board has the following specific responsibilities:

- (a) to oversee the Company's control and accountability systems;
- (b) to appoint the Managing Director and the Company Secretary and determine the terms and conditions of their appointment (including remuneration), and to set criteria for, and evaluate at least annually, their performance;
- (c) to monitor and assess management's performance in carrying out any strategies, meeting any objectives and observing any budgets approved by the Board, and to ensure that sufficient resources are available to management for those purposes;
- (d) to ratify the appointment, and where appropriate, the removal of the Chief Financial Officer (or equivalent);
- (e) to approve and monitor financial and other reporting;
- (f) to monitor the Company's continuous disclosure policy and procedures, and in particular to ensure the Company's Continuous Market Disclosure Policy is complied with, and adequately reviewed and updated;
- (g) to ensure that appropriate internal (if required) and external audit arrangements are in place and operating effectively;
- (h) to issue any shares or other securities of the Company;
- (i) to approve commitments in excess of discretionary limits that it may have from time to time delegated to the Managing Director and senior management;
- (j) to approve each of the following:
 - (i) the strategic plan and performance objectives, at least annually;
 - (ii) the budget, at least annually;
 - (iii) the remuneration and conditions of service including financial incentives for any Executive Directors, at least annually;

- (iv) significant changes to organisational structure;
 - (v) the acquisition, establishment, disposal or cessation of any significant business of the Company;
 - (vi) any public statements which reflect significant issues of the Company's policy or strategy; and
 - (vii) any changes to the discretions delegated from the Board; and
- (k) to review on a regular and continuing basis:
- (i) senior executive succession planning (in particular for the Managing Director); and
 - (ii) senior executive development activities.

1.3 In performing the responsibilities set out above the Board should at all times:

- (a) be guided by the objective of maintaining and building the Company's capacity to generate value for shareholders; and
- (b) act in accordance with the duties and obligations imposed upon them by the Company's Constitution and by law.

1.4 The Board may delegate its responsibilities to Committees, in accordance with section 6 below.

2. Board Membership

The composition of the Board is determined using the principles outlined below. These principles will be reviewed on an on-going basis as the Company evolves and where the implementation of new principles are considered appropriate having regard to the size and nature of the Company's operations.

- (a) a minimum of 3 directors with a broad range of business expertise;
- (b) at least 2 independent non-executive directors; and
- (c) directors should bring characteristics which allow a mix of skills and experience

3. Independence of Directors

3.1 A Director is only to be regarded as independent if the Director is independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of the Director's unfettered and independent judgement.

3.2 In considering whether a Director is independent under section 3.1, the Board is to have regard to:

- (a) the criteria for assessing the independence of a Director in the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" (**Best Practice Recommendations**);

- (b) any information, facts or circumstances that the Board considers relevant; and
 - (c) any materiality thresholds, standards or guidelines that the Board may adopt from time to time.
- 3.3 If a Director is or becomes aware of any information, facts or circumstances which will or may affect that Director's independence, the Director must immediately disclose all relevant details in writing to the Company Secretary and the Chairman.
- 3.4 The Board will regularly assess the independence of each Director in light of disclosures made in accordance with section 3.3 to ensure that the Board continues to comprise at least 2 independent non-executive directors.

Chairman

- 3.5 The Chairman is responsible for:
- (a) leadership and effective performance of the Board;
 - (b) setting the agenda for Board meetings, in consultation with the Managing Director and Company Secretary;
 - (c) overseeing the provision of information by management to the Board, and using reasonable endeavours to ensure the adequacy of that information; and
 - (d) arranging regular evaluation of the performance of the Board, Board Committees and all Directors.

4. Non-Executive Directors

- 4.1 Non-Executive Directors collectively should:
- (a) constructively challenge and contribute to the development of strategy;
 - (b) scrutinise the performance of management, particularly in relation to meeting agreed objectives, and monitor the reporting of performance;
 - (c) take reasonable and proper steps to satisfy themselves that financial information released to the markets and shareholders is accurate, and that there are adequate and proper financial controls and systems of risk management and that the controls are maintained and the systems robust;
 - (d) appoint and, where necessary, remove, the Managing Director;
 - (e) prepare or ratify senior management succession plans;
 - (f) review and where appropriate, constructively challenge proposals presented by management; and
 - (g) request additional information where they consider that the information supplied by management is inadequate to support informed decision-making.

- 4.2 Non-Executive Directors individually should inform themselves to a reasonable extent about the subject matter of all decisions they are called upon to make as Directors of the Company.
- 4.3 Before appointment, Non-Executive Directors must disclose to the Chairman the nature and extent of their other appointments and activities and, when advising their willingness to accept appointment, demonstrate that they understand what is expected of them, and confirm that they are willing to make the necessary commitments, and will have available the time required, to discharge their responsibilities.
- 4.4 Non-Executive Directors are expected to maintain the skills required to discharge their obligations to the Company. For this purpose they should undertake continuing professional education to the extent necessary. Requests for approval of professional education courses may be made to the Chairman and where a request is approved, the cost of the course will be met by the Company.

5. Meetings

- 5.1 Board papers should, where possible, be provided to Directors at least 3 days prior to the relevant meeting.
- 5.2 The Board should hold scheduled meetings at least 10 times each year. The Board may at any time, and the Company Secretary must, on the request of:
 - (a) the Chairman; or
 - (b) any Director,

convene an unscheduled meeting of the Board on notice that is reasonable in the circumstances. Individual directors proposing to call meetings should first inform and consult with the Chairman. Urgent decisions, where it is not practical to convene a meeting, may be made by resolution circulated in writing, in accordance with the Company's Constitution, although it is recognised as desirable that the use of circular resolutions should be kept to a minimum.

- 5.3 Board agendas should be settled by the Chairman in conjunction with the Managing Director and Company Secretary.

6. Board Committees

To assist in the execution of its responsibilities the Board has established an Audit & Compliance Committee. A separate Audit & Compliance Committee Charter has been introduced. Business risk management processes are monitored by the Audit & Compliance Committee and also constantly monitored by the Directors as they have a close association with the day to day operation of the Company.

7. Conflicts of Interest

- 7.1 A Director must inform the Board or, in advance, the Chairman, if he or she has a conflict or potential conflict of interest in relation to any particular item of business to be considered by the Board. Unless decided otherwise by the other members of the Board, the Director should be absent from discussion and decision on that matter.
- 7.2 Directors must comply strictly with Corporations Act requirements and Board policy for the avoidance of conflicts.

8. Retirement from the Board

- (a) Non-Executive Directors are expected to review their membership of the Board from time to time, taking into account their length of service on the Board, age, qualifications and experience (in light of developing best practice standards and the Company's then current policies), together with the other criteria considered desirable for composition of a balanced Board and the overall interests of the Company.
- (b) A Non-Executive Director is expected to resign if the remaining Directors recommend that the Director should not continue in office.
- (c) An Executive Director must resign from the Board immediately if the Director ceases to be employed by the Company.

9. Outside Directorships

9.1 Non-Executive Directors

- (a) Non-Executive Directors should continually evaluate their ability to discharge their commitments to the Company, in the light of the other directorships or similar offices they hold.
- (b) Non-Executive Directors must notify the Chairman and the Nomination and Remuneration Committee in writing before accepting appointment as a Director of any company (other than the Company or any related body corporate of the Company) or to any similar office. Before accepting the appointment, the Director must have regard to:
- (i) the views and wishes of the Chairman on the Director acting simultaneously as a Director of the Company and as a Director of another company or entity (whether in competition with the Company or not);
 - (ii) any current policies of the Board on multiple directorships; and
 - (iii) developing best practice standards on multiple directorships.

9.2 Executive Directors

An Executive Director shall not accept appointment as a Director of any company (other than the Company or any related body corporate of the Company), or to any similar office, without the prior approval of the Board.

10. Independent Advisers and General Matters

- 10.1 A record of Board submissions and papers, and of material presented to the Board, is maintained and held by the Company Secretary together with minutes of meetings, and is accessible to Directors.
- 10.2 New members of the Board should be provided with background material on the Company's business activities and be offered management briefings on strategic, financial and other matters.
- 10.3 Periodic site visits, by all Directors, to aid their understanding of the business of the Company, should be scheduled and coordinated by management. Directors are expected to give priority to attendance at these visits.
- 10.4 The Board may have access to independent advisers where the need arises. If it becomes appropriate for a Director to obtain external professional advice separate from advice obtained on behalf of the Company, that advice should be arranged in consultation with the Chairman, and the advice so obtained should ordinarily be provided to all Directors. The cost of obtaining the advice will be met by the Company.
- 10.5 Deeds are to be entered into between all Directors and the Company recording confirming arrangements for indemnity, insurance and access to Company documents.

11. Codes of Conduct

- 11.1 The Board may from time to time adopt:
- (a) a code of conduct to guide the Directors and promote high ethical and professional standards and responsible decision-making; and
 - (b) a code of conduct which sets out the minimum acceptable standards of behaviour expected of the Directors and employees of the Company and its related bodies corporate and guides those persons in compliance with legal and other obligations to legitimate stakeholders of the Company.
- 11.2 Directors must comply with all codes of conduct adopted by the Board.
- 11.3 As at the date of adoption of this Charter, the Board has adopted the "Empired Ltd Code of Conduct".

12. Dealing in Securities of the Company

Directors must comply with the Company's securities trading policies adopted from time to time by the Board. As at the date of adoption of this Charter, the Board has adopted the "Empired Ltd Securities Trading Policy".

13. Access to the Company Secretary and Employees

13.1 Each Director has a right of access to the Company Secretary at all times.

13.2 Any Director may:

- (a) request the attendance at a meeting of the Board of any employee of the Company or a related body corporate; and
- (b) subject to the law, have access to any document, report, material or information belonging to the Company or a related body corporate.

13.3 The Company Secretary reports directly, and is accountable, to the Board of Directors through the Chairman in relation to all governance matters.

14. Confidentiality

The Directors acknowledge that all proceedings of the Board and its Committees are strictly confidential and that (without limiting other sanctions) a Director who breaches this confidentiality will be expected to resign from the Board.

15. Review of Board Charter

The Board will regularly review this Charter to ensure that it is appropriate to meet the needs of the Company and the Board and to comply with developing best practice standards (including the Best Practice Recommendations).