

# PEXA GROUP LIMITED

## BOARD CHARTER

### 1. ROLE OF THE BOARD

- 1.1 This Board Charter sets out the principles for the operation of the board of directors (**Board**) of PEXA Group Limited (**Company**) and describes the functions of the Board.
- 1.2 The Board is accountable to shareholders for the performance of the Company. The Board must at all times act honestly, conscientiously and fairly in all respects in accordance with the law applicable to the Company and must act in the best interests of the Company's shareholders and have appropriate regard to the interests of the Company's other stakeholders.
- 1.3 The Board's role includes providing leadership and guiding the Company's strategic direction, driving its performance and overseeing the activities of management and the operation of the Company. A key part of the Board's responsibility is to implement and oversee an effective corporate governance structure for the Company.
- 1.4 This Board Charter and the charters adopted by the Board for the committees established by the Board have been adopted on the basis that good corporate governance adds to the performance of the Company and creates shareholder value and engenders the confidence of the investment market.

### 2. RESPONSIBILITIES OF THE BOARD

The Board is responsible for managing the affairs of the Company, including the following:

#### 2.1 Strategic and financial performance

- (a) contribute to, approve and monitor the implementation of the Company's strategic, investment and financial plans and objectives;
- (b) promote the Company's values and support the Company's performance generally;
- (c) evaluate, approve and monitor the annual budgets and business plans;
- (d) determine the Company's dividend policy (if any), dividend re-investment plan (if any) and the amount and timing of all dividends;
- (e) evaluate, approve and monitor major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company;
- (f) with advice and assistance of the Audit and Risk Committee, approve all material accounting policies, financial reports and material reporting and external communications by the Company;
- (g) provide appropriate delegations of authority to management;
- (h) assess the solvency and performance of the Company;
- (i) appoint the Chair of the Board and, where appropriate, any deputy chair or senior independent director;

## **2.2 Executive management**

- (a) appoint and remove, monitor and manage the performance of the Company's executive directors including the Chief Executive Officer;
- (b) manage succession planning for the Company's executive directors and any other key management positions as identified from time to time, including reviewing any succession plans recommended by the Remuneration, Nomination and People Committee;
- (c) ratify the appointment and, where appropriate, the removal of any member of senior management of the Company and any subsidiaries;
- (d) review the performance of the Board, directors and CEO and Managing Director as well as any policies concerned with the remuneration of any employee;
- (e) with the advice and assistance of the Remuneration, Nomination and People Committee, review and approve the remuneration of individual Board members and senior executives, having regard to their performance and to the Company's remuneration strategy and policy;
- (f) with the advice and assistance of the Remuneration, Nomination and People Committee, review alignment of the Company's remuneration policies with the Company's purpose, values, strategic objectives and risk appetite;
- (g) ensure appropriate resources are available to senior executives;
- (h) advise senior management of its obligation to provide to the Board all information required by it to discharge its responsibilities, including any information specifically requested by the Board and, when required, challenge management and hold management to account. Directors are entitled to request additional information at any time they consider it appropriate;
- (i) oversee senior management's implementation of the Company's strategic, investment and financial plans and objectives, instilling of the Company's values and the Company's performance generally;

## **2.3 Audit and risk management**

- (a) with the advice and assistance of the Audit and Risk Committee, appoint the external auditor;
- (b) through the Audit and Risk Committee, approve the external auditor's proposed annual audit scope, including terms of appointment and proposed fees;
- (c) through the Audit and Risk Committee, approve the annual internal audit plan;
- (d) review the independence, integrity and performance of the external and internal auditors;
- (e) evaluate and monitor the effectiveness of the Company's audit, risk management and regulatory compliance programs so as to protect the Company's assets and shareholder value;
- (f) evaluate, establish, approve and monitor the risk appetite within which the Board expects management of the Company to operate;
- (g) approve and monitor the Company's risk and audit framework, including (but not limited to) systems of risk management for financial and non-financial risk and internal compliance and control;

- (h) approve and, with the assistance and advice of the Audit and Risk Committee, monitor compliance with the Company's Risk Management Policy;
- (i) monitor the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements;
- (j) approve and oversee the integrity of the accounting, financial and other corporate reporting systems and monitor the operation of those systems;

## **2.4 Strategic planning**

- (a) engage in strategic planning including establishing goals for management of the Company and monitoring the achievement of those goals;
- (b) ensure strategic planning is based on the identification of opportunities and the full range of business risks that will determine which of those opportunities are most worth pursuing;
- (c) on an ongoing basis, review how the strategic environment is changing, what key business risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted;

## **2.5 Corporate governance and disclosure**

- (a) oversee the affairs of the Company, including its control and accountability systems;
- (b) at appropriate intervals review the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amend those policies and procedures or adopt new policies or procedures;
- (c) review and approve the public disclosure of any Company policy or procedure;
- (d) supervise the public disclosure of all matters that the law and the ASX Listing Rules require to be disclosed publicly in a manner consistent with the Continuous Disclosure Policy;
- (e) review and approve an appropriate communications policy to promote effective engagement and communication with shareholders, including their participation at general meetings;
- (f) approve the appointment of directors to committees established by the Board and oversee the conduct of each committee;
- (g) approve and monitor delegations of authority including to Committees, subsidiary boards and management and approve transactions in excess of delegated levels;
- (h) with the assistance of the Remuneration, Nomination and People Committee, identify any specific responsibilities of individual Board members, including the Chair;
- (i) with the advice and assistance of the Remuneration, Nomination and People Committee, approve and monitor the effectiveness of the Company's Diversity and Inclusion Policy, including effectiveness of the measurable objectives for achieving gender diversity;
- (j) with the advice and assistance of the Remuneration, Nomination and People Committee approve appointment, appointment terms and remuneration of non-executive directors to the Company's subsidiary boards and committees of subsidiary boards;
- (k) oversee and monitor the Company's work, health and safety systems;

- (l) prepare the Company's annual corporate governance disclosure statements as required under the ASX Listing Rules including disclosures relating to any departures from the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council;
- (m) consider the social, ethical and environmental impact of the Company's activities, approve the Company's policies on these matters and evaluate effectiveness of and compliance with these policies;

## **2.6 Board nominations**

- (a) with the advice and assistance of the Remuneration, Nomination and People Committee, identify and nominate candidates to fill Board vacancies as and when they arise, having regard to the desired composition of the Board;
- (b) with the advice and assistance of the Remuneration, Nomination and People Committee, evaluate the competencies required of prospective directors (both non-executive and executive), identify those prospective directors and establish their degree of independence;
- (c) with the advice and assistance of the Remuneration, Nomination and People Committee, regularly review the structure, size, diversity and composition (including the skills, knowledge and experience) of the Board and consider any changes appropriate to enhance the capability and diversity of the Board consistent with the Company's Constitution and the terms of existing Board members;

## **2.7 Values and Code of Conduct and Ethics**

- (a) approve the Company's purpose, values and Code of Conduct and Ethics and, with the Remuneration, Nomination and People Committee, monitor management's implementation of the Company's purpose and values;
- (b) adopt and apply appropriate ethical standards in relation to the management of the Company and the conduct of its business;
- (c) oversee the reputation and standards of conduct of the Company, including monitoring compliance with the Company's Code of Conduct and Ethics;

## **2.8 Shareholders**

- (a) promoting effective engagement with shareholders in providing them with appropriate information and access to allow them to exercise their rights as shareholders effectively;
- (b) monitoring the Company's processes for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

## **2.9 Performance evaluation**

- (a) at least once per year, review and evaluate the performance of the Board, its Committees, directors and senior executives against the relevant charters, corporate governance policies, and agreed goals and objectives (as applicable); and
- (b) following each review and evaluation, consider how to address any issues raised.

### **3. STRUCTURE OF THE BOARD**

- 3.1 The composition, structure and proceedings of the Board are primarily governed by the Company's Constitution and the laws governing corporations in jurisdictions where the Company operates.
- 3.2 The size of the Board will be determined in accordance with the Company's Constitution.
- 3.3 The Company seeks to have directors with an appropriate range of skills, knowledge, experience, independence and diversity, and an understanding of and competence to deal with current and emerging issues of the business.
- 3.4 The Company's succession plans are designed to maintain an appropriate balance of skills, knowledge, experience, independence and diversity on the Board.

### **4. INDEPENDENT DIRECTOR**

- 4.1 Where this Charter or the charter of a Board committee requires one or more "independent" directors, the following criteria are to be applied.
- 4.2 An "independent" director is a non-executive director who:
  - (a) is not a substantial shareholder (as defined in the *Corporations Act 2001* (Cth)) of the Company or an officer of, or otherwise associated with, including being a professional advisor to or an employee of, a substantial shareholder of the Company;
  - (b) within the last three years, has not been employed in an executive capacity by the Company or any of its subsidiaries, or been a director after ceasing to hold any such employment;
  - (c) within the last three years has not been a partner, director or senior employee of a provider of material professional services to the Company or any of its subsidiaries;
  - (d) does not receive performance-based remuneration (including options or performance rights) from, or participate in an employee incentive scheme of the Company;
  - (e) within the last three years has not been in a material business relationship (e.g. a material supplier or customer) with the Company or any of its subsidiaries, or an officer of, or otherwise associated with, someone with such a relationship;
  - (f) has no material contractual relationship with the Company or any of its subsidiaries other than as a director of the Company;
  - (g) does not have close family ties with any person who falls within any of the categories described above;
  - (h) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's capacity to bring an independent judgement to bear on issues before the Board and the director's ability to act in the best interests of the Company and its shareholders generally; and
  - (i) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's capacity to bring an independent judgement to bear on issues before the Board and the director's ability to act in the best interests of the Company and its shareholders generally.
- 4.3 Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence and should be disclosed by directors to the Board.

- 4.4 Materiality will be considered by the Board on a case-by-case basis having regard to both qualitative and quantitative principles.
- 4.5 The Board assesses independence of directors upon appointment and annually through attestation from each director. Each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independent status changes, this should be disclosed and explained to the market in a timely manner.

## **5. DIRECTORS' RESPONSIBILITIES**

- 5.1 Each director of the Company is bound by the Company's charters and policies.
- 5.2 The directors of the Company must:
- (a) perform their duties with honesty and integrity;
  - (b) comply with the terms of any letter of appointment that sets out the terms and conditions of their appointment as a director of the Company;
  - (c) maintain the confidentiality of all information acquired in the course of conducting their role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board, pursuant to any agreement or deed entered into by the Company where such disclosure is permitted, or is required by law or by the ASX Listing Rules;
  - (d) observe the principles of independence, accuracy and integrity in dealings with the Board, board committees, internal and external auditors, senior management and employees within the Company; and
  - (e) act in accordance with this Board Charter and disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the director becomes aware and which the director reasonably believes is material, in that it may or may be perceived to influence their vote or compromise the reputation or performance of the Company.

## **6. SELECTION OF THE CHAIR**

- 6.1 The Chair will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.

## **7. SPECIFIC DUTIES OF THE CHAIR**

- 7.1 The Chair will:
- (a) chair Board meetings;
  - (b) establish the agenda for Board meetings;
  - (c) chair meetings of shareholders, including the Annual General Meeting of the Company.
- 7.2 The roles of Chair and Chief Executive Officer (if any) will be exercised by two separate individuals. The Chair will be an independent non-executive director.
- 7.3 The Chair is responsible for:
- (a) leadership of the Board and for the efficient organisation and conduct of the Board's functions and meetings;

- (b) promoting a constructive governance culture and applying appropriate governance principles among directors and with management;
- (c) facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between Board and management; and
- (d) representing the views of the Board to the public and the Company's shareholders.

## **8. SPECIFIC DUTIES OF THE CHIEF EXECUTIVE OFFICER**

8.1 The Board will delegate to the Chief Executive Officer the authority and power to manage the Company and its business within levels of authority specified by the Board from time to time. The Chief Executive Officer may delegate aspects of his or her authority and power to other senior executives but remains accountable to the Board for the day to day management of the Company. The Chief Executive Officer's role includes:

- (a) responsibility for the effective leadership of the management team;
- (b) the development of strategic objectives for the business and reinforcing the Company's purpose, values, Code of Conduct and Ethics and risk appetite set by the Board;
- (c) providing accurate, timely and clear information to the Board to enable it to perform its responsibilities; and
- (d) the day to day management of the Company.

## **9. CONFIDENTIAL INFORMATION AND EXTERNAL COMMUNICATION**

9.1 The Board has established the following principles to apply in respect of information of the Company:

- (a) generally, the Chair or the Chief Executive Officer will speak for the Company. Other individual Board members are expected not to communicate on behalf of the Board or the Company without prior consultation with the Chair;
- (b) any disclosure of information to a shareholder (other than pursuant to any agreement or deed entered into by the Company where such disclosure is permitted) which is not disclosed to the market must be approved under the Continuous Disclosure Policy and must comply with the ASX Listing Rules; and
- (c) all directors are required to keep all information provided to them in their capacity as a director confidential, unless it is required to be disclosed by law, pursuant to any agreement or deed entered into by the Company where disclosure of such information is permitted or by the ASX Listing Rules.

## **10. CONFLICTS OF INTEREST**

10.1 The directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or possible conflicts of interest.

10.2 If:

- (a) a director considers that they might be in a position where there is a reasonable possibility of conflict between their personal or business interests, the interests of any associated person, or their duties to any other company, on the one hand, and the interests of the Company or their duties to the Company, on the other hand, the director must fully inform the Board about the

circumstances giving rise to the possible or actual conflict as required under the *Corporations Act 2001* (Cth), ASX Listing Rules and general law requirements; and

- (b) any director has a material personal interest in a matter, unless the directors (without a relevant personal interest) agree otherwise, the relevant director will:
  - (i) abstain from voting on any motion relating to the matter;
  - (ii) absent themselves from all Board deliberations relating to the matter; and
  - (iii) not receive any Board papers bearing on the matter,at a director's meeting where that matter is being considered.

## **11. RELATED PARTY TRANSACTIONS**

- 11.1 The Board has delegated to the Audit and Risk Committee responsibility for reviewing and monitoring related party transactions and investments involving the Company and its directors.

## **12. MEETINGS**

- 12.1 The Board will meet on such number of occasions each year as the Board deems appropriate. A meeting of the Board will usually be convened by the Chair (or by the Company Secretary on the instruction of the Chair).
- 12.2 All directors are expected to diligently prepare for, attend and participate in all Board meetings.
- 12.3 At a minimum, a quorum of directors under the Company's Constitution is three directors (however the Board will adopt a quorum of a majority of directors, from time to time, at its first meeting).
- 12.4 Meetings of the Board may be held or participated in by using any form of technology. Resolutions of the Board may be passed by circular resolution or in writing in accordance with the Company's Constitution.
- 12.5 Periodically the non-executive directors will meet without Executive Directors or management present.
- 12.6 The Chair may invite the attendance of executive management and external advisors to any meeting of the Board, as appropriate.

## **13. BOARD COMMITTEES**

- 13.1 In order to fulfil its duties, the Board has established the following committees:
  - (a) the Audit and Risk Committee, which is responsible for monitoring and advising the Board on the Company's audit, risk management and regulatory compliance policies and procedures; and
  - (b) the Remuneration, Nomination and People Committee, which is responsible for establishing the policies and practices of the Company regarding the remuneration of directors and other senior executives; reviewing all components of the remuneration framework; and advising the Board on the composition of the Board and its committees and maintaining proper Board and senior executive succession plans.
- 13.2 Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.



- 13.3 The composition of the membership, including the Chair, of each of these committees will be as determined by the Board from time to time, subject to the following restrictions:
- (a) the Audit and Risk Committee will comprise solely non-executive directors, and will have at least three members, the majority of whom will be independent;
  - (b) the Audit and Risk Committee will have a chair who is an independent non-executive director but not the Board Chair; and
  - (c) the Remuneration, Nomination and People Committee will comprise solely non-executive directors, and will have at least three members, the majority of whom will be independent directors.
- 13.4 The Board will consider and approve the charters of the various committees and any proposed amendments to those charters. These charters will identify the areas in which the Board will be assisted by each committee. Each committee will report regularly to the Board in accordance with their respective charters.
- 13.5 The Board may establish other committees as and when required.

#### **14. COMPANY SECRETARY**

- 14.1 The Company Secretary is directly accountable to the Board through the Chair. The Company Secretary's role is to:
- (a) advise the Board and its committees on governance matters;
  - (b) coordinate all Board business including:
  - (c) prepare agendas;
  - (d) coordinate the timely completion and despatch of Board and committee papers;
  - (e) ensure the business at Board and committee meetings is accurately captured in the minutes;
  - (f) lodge communications and filings with regulatory bodies including ASIC and ASX;
  - (g) monitor compliance with Board and committee policy and procedures; and
  - (h) help to organise and facilitate the induction and professional development of directors.
- 14.2 The Board will appoint at least one Company Secretary. Appointment and removal of a Company Secretary will be subject to Board approval.
- 14.3 All directors will have direct access to the Company Secretary and vice versa.

#### **15. INDEPENDENT ADVICE**

- 15.1 A director of the Company is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:
- (a) a director must seek the prior approval of the Chair;

- (b) in seeking the prior approval of the Chair, the director must provide the Chair with details of the nature of the independent professional advice, the likely cost of the advice and details of the adviser they propose to instruct;
- (c) the Chair may set a reasonable limit on the amount that the Company will contribute towards the cost of obtaining the advice;
- (d) all documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and to the director in their professional capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director's contract of employment with the Company (in the case of an executive director) or any dispute between the director and the Company; and
- (e) a copy of any such advice must be provided to the entire Board (subject to paragraph 10 above relating to conflicts of interest).

15.2 All directors are entitled to the benefit of the Company's standard Deed of Access, Indemnity and Insurance which provides access to Board papers for the duration of the "Protection Period" set out therein and, at the Company's expense, Directors and Officers insurance.

## **16. REMUNERATION**

16.1 The maximum aggregate remuneration payable to all non-executive directors will be established as provided for under the Constitution and any subsequent increases to the maximum aggregate remuneration pool will be approved by the shareholders.

## **17. REVIEW OF BOARD AND BOARD CHARTER**

17.1 The Board will review annually its activities and the manner in which it has carried out its responsibilities.

17.2 The Board will regularly review the terms of the Charter. Any amendments to this Charter must be approved by the Board.

### **Policy history**

Approved by the Board on 11 June 2021.