



## **Board Charter**

**Celamin Holdings Limited**

**ACN 139 255 771**

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## 1. Introduction

- 1.1 This Board Charter sets out the principles for the operation of the board of directors (**Board**) of Celamin Holdings Limited (ACN 139 255 771) (**Company**) and describes the functions of the Board. The Company and its subsidiaries are collectively referred to as the **Group**.
- 1.2 The Board is responsible for the governance of the Company. This Charter sets out the role and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and the operation of the Board.

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## 2. Role and responsibilities of the Board

### Role

- 2.1 The role of the Board is to provide overall strategic guidance, financial management and controls for the Company through effective oversight of management.
- 2.2 The Board ensures that the activities of the Company comply with its Constitution, from which it derives its authority to act, and with legal and regulatory requirements. To achieve this role, the Board has reserved to itself the following specific responsibilities.

### Responsibilities

- 2.3 The Board is responsible for:
- (a) providing leadership and setting the strategic objectives of the Company;
  - (b) appointing the Chair (and potentially any Deputy Chair);
  - (c) appointing and when necessary replacing the Chief Executive Officer;
  - (d) approving the appointment and when necessary replacement of other senior executives of the Company;
  - (e) overseeing management's implementation of the Company's strategic objectives and its performance generally;
  - (f) through the Chair, overseeing the role of the Company Secretary;
  - (g) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
  - (h) overseeing the Company's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
  - (i) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;

- (j) approving the Company's remuneration framework;
- (k) reviewing the performance and effectiveness of the Company's governance practices policies and procedures;
- (l) determining the Company's dividend policy, the amount and timing of all dividends and the operation of the Company's dividend re-investment plan (if any);
- (m) evaluating, approving and monitoring operating budgets, major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company; and
- (n) ensuring that the Company maintains a commitment to promoting diversity in the workplace.

### **Corporate governance**

- 2.4 At least once per year the Board will review the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amend those policies and procedures as necessary.
- 2.5 The Board will review and approve all disclosures related to any departures from the ASX Corporate Governance Principles and Recommendations.

### **Performance evaluation**

- 2.6 At least once per year the Board will, review and evaluate the performance of the Board, each Board committee and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives.
- 2.7 Following each review and evaluation, the Board will consider how to improve its performance.

## **3. Structure of the Board**

### **Overview**

- 3.1 Subject to section 3.3 below, the Board, determines the size and composition of the Board subject to the terms of the Constitution of the Company. The continued tenure of each individual director is subject to re-election from time to time, in accordance with the Constitution.
- 3.2 It is intended that the Board should comprise a mix of executive and non-executive directors and comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. In order to identify any gaps in the collective skills of the Board, the Board should, establish a skills matrix setting out the mix of skills and diversity the Board has or is looking to achieve.

### **Board composition**

- 3.3 The directors will determine the size of the Board, subject to the Company's Constitution, which provides that there can be no more than 10 directors. The number

of directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making and adequately discharge its responsibilities and duties.

- 3.4 It is intended that at least half of the Board will be independent non-executive directors.

### **Appointment and re-election of directors**

- 3.5 The process of selection and appointment of new directors to the Board is that when a vacancy arises, the Board identifies candidates with appropriate skills, experience and expertise. Candidates with the skills, experience and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with the Company's Constitution but must stand for election by shareholders at the next annual general meeting.
- 3.6 Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.
- 3.7 Directors must retire from office in accordance with the Constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chair will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). The Board (excluding the Chair), will conduct the review of the Chair.

### **Independence**

- 3.8 All directors, whether independent or not, should bring an independent judgement to bear on all Board decisions.
- 3.9 Where this Charter or the charter of a Board committee requires one or more "independent" directors, the following criteria are to be considered by the Board to determine if the relevant person is independent. An "independent" director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. When determining the independent status of a director, the Board will consider whether the director:
- (a) is a substantial shareholder of the Company (that is, holds 5% or more of the issued voting shares of the Company) or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
  - (b) is employed, or has previously been employed, in an executive capacity by the Company or another Group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
  - (c) has within the last three years been a partner, director or senior employee of a material professional adviser or a material consultant to the Company or

another Group member, or an employee materially associated with the service provided;

- (d) is a material supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has a material contractual relationship with the Company or another Group member other than as a director of the Company;
- (f) has any close family ties with any person who falls within any of the categories described above; or
- (g) has been a director of the Company for such a period that his or her independence may have been compromised.

3.10 The Board should regularly assess whether a non-executive director is 'independent' in accordance with the above criteria.

### **Directors' responsibilities**

3.11 Directors are expected to at all times act in accordance with legal and statutory requirements and discharge all their duties as directors. Directors must:

- (a) discharge their duties in good faith and in the best interests of the Company and for a proper purpose;
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company, including applying an independent and enquiring mind to their responsibilities;
- (c) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- (d) not make improper use of information gained through their position as a director;
- (e) not take improper advantage of their position as a director;
- (f) notify other directors of a material personal interest when a conflict arises;
- (g) in the case of non-executive directors, disclose to the Board all information that may be relevant for the Board to assess the director's independence;
- (h) make reasonable enquiries if relying on information or advice provided by others;
- (i) undertake any necessary enquiries in respect of delegates; and
- (j) give the Company or ASX Limited all the information required by the Corporations Act; and
- (k) not permit the Company to knowingly engage in insolvent trading.

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#### **4. Role and Responsibilities of the Chair and Company Secretary**

- 4.1 The Company has appointed a non-executive Chair who is independent.
- 4.2 It is intended that any future Chair of the Company will also be an independent non-executive director and will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.
- 4.3 If at any time the Company has a Chair who is not independent, the Board will consider appointing a lead independent director.
- 4.4 The Chair is responsible for:
- (a) leading the Board in reviewing and discussing Board matters;
  - (b) chairing Board meetings and shareholder meetings, including, setting the agenda for Board meetings (in consultation with the other directors and the Company Secretary) and ensuring that adequate time is available for discussion of all agenda items;
  - (c) ensuring the efficient organisation and conduct of the Board's function;
  - (d) briefing all directors in relation to issues arising at Board meetings;
  - (e) facilitating effective contribution by all directors and monitoring Board performance;
  - (f) promoting constructive and respectful relations between Board members and between the Board and management;
  - (g) overseeing the role of the Company Secretary, including, reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board; and
  - (h) establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

#### **Company Secretary**

- 4.5 The Company Secretary acts as secretary of the Board, attending all meetings of the Board as required. The Company Secretary is accountable directly to the Board, through the Chair on all matters to do with the proper functioning of the Board.
- 4.6 The Company Secretary is responsible for:
- (a) advising the Board and its committees on governance matters;
  - (b) monitoring that Board and committee policies and procedures are followed;
  - (c) coordinating the timely completion and despatch of Board and committee papers;
  - (d) ensuring that the business at Board and committee meetings is accurately captured in the minutes; and

- (e) organising and facilitating the induction and professional development of directors and him or herself.
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## **5. Board committees**

- 5.1 Under the Company's Constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.
  - 5.2 The Company may establish committees from time to time to consider matters of special importance.
  - 5.3 Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.
  - 5.4 Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committee. These charters will identify the areas in which the Board will be assisted by each committee.
  - 5.5 Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chair of each committee will report back on committee meetings to the Board at the next full Board meeting.
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## **6. Delegation**

### **Delegation to Chief Executive Officer**

- 6.1 The Board has delegated to the Chief Executive Officer the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself in this Charter.
- 6.2 The Board may impose further specific limits on the Chief Executive Officer delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board from time to time.
- 6.3 The Chief Executive Officer has authority to sub-delegate to senior management.

### **Role of Chief Executive Officer**

- 6.4 The management function is conducted by, or under the supervision of, the Chief Executive Officer as directed by the Board, and by other officers to whom the management function is properly delegated by the Board or the Chief Executive Officer.
- 6.5 The Board approves corporate objectives for the Chief Executive Officer to satisfy and, jointly with the Chief Executive Officer, develops the duties and responsibilities of the Chief Executive Officer, which includes those set out in any employment contract of the Chief Executive Officer.

- 6.6 The Chief Executive Officer is responsible for implementing strategic objectives, plans and budgets approved by the Board in accordance with the directions of the Board.

### **Relationship with management**

- 6.7 Directors may delegate their powers as they consider it appropriate including to management of the Group. However, ultimate responsibility for strategy and control rests with the directors.
- 6.8 Management are ultimately accountable to the Board.
- 6.9 Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.

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## **7. Meetings**

- 7.1 All Board meetings will be conducted in accordance with the Company's Constitution and the Corporations Act.
- 7.2 Directors are committed to collective decision making but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.
- 7.3 Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.
- 7.4 A meeting of the Board will usually be convened by the Chair, although under the Company's Constitution a meeting may be called by any director.
- 7.5 All directors are expected to diligently prepare for, attend and participate in all Board meetings.
- 7.6 At a minimum, a quorum of directors under the Company's Constitution is two directors. Meetings of the Board may be held or participated in by conference call or other electronic communications as permitted by the Company's Constitution. Resolutions of the Board may be passed by circular resolution or in writing in accordance with the Company's Constitution.
- 7.7 The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.
- 7.8 Non-executive directors will periodically meet without executive directors or management present.
- 7.9 The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.

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## **8. Remuneration**

- 8.1 The level of non-executive director remuneration will be set by the Board.
- 8.2 The level and nature of remuneration for executive directors and other senior executives of the Company will be set by the Board.

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## **9. Continuous disclosure**

- 9.1 The Board has adopted a policy relating to the continuous disclosure obligations of the Company under the ASX Listing Rules and Corporations Act. The Company Secretary will oversee the implementation of that policy and will report to the Board on compliance with that policy at each regular meeting of the Board.

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## **10. Confidential information and external communication**

- 10.1 The Board has established the following principles to apply in respect of information of the Group:
- (a) all directors are required to keep confidential all information provided to them in their capacity as a director and must not disclose or improperly use such information;
  - (b) generally, the Chair will speak for the Group, unless the Board has agreed other spokespersons in accordance with the Company's Continuous Disclosure Policy. Individual Board members are expected not to communicate on behalf of the Board or the Group without prior consultation with the Chair; and
  - (c) all disclosures of materially price-sensitive information to any person must be approved and made in accordance with the Company's Continuous Disclosure Policy, the ASX Listing Rules and Corporations Act.

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## **11. Conflicts of interest**

- 11.1 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.
- 11.2 If 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 and the interests of the Company or their duties to the Company or the Group, the Board requires that the director:
- (a) fully and frankly informs the Board about the circumstances giving rise to the conflict; and
  - (b) unless the Board otherwise determines, abstains from voting on any motion relating to the matter and absents themselves from all Board deliberations relating to the matter, including receipt of board papers bearing on the matter.

- 11.3 If a director believes that they may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chair (or, in the case of the Chair, the Chair should immediately consult with the other non-executive directors).
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## **12. Related party transactions**

- 12.1 The Board is responsible for reviewing and monitoring related party transactions and investments involving the directors and the Group.
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## **13. Independent advice**

- 13.1 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 their responsibilities. A director must seek the prior approval of the Chair (or if the Chair is the relevant director, with the approval of the Board). Following the approval of the Chair (or in the case of the Chair, the Board), directors may seek independent professional advice at the Company's expense. Generally, this advice will be available to all directors. All directors are entitled to the benefit of the Company's standard Deed of Access, Indemnity and Insurance which provides ongoing access to Board papers and, at the Company's expense, Directors and Officers insurance for seven years after the director leaves the Board.
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## **14. Access to management**

- 14.1 The directors have complete and open access to management following consultation with the Chair and Chief Executive Officer.
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## **15. Board Charter**

- 15.1 The Board is responsible for reviewing the effectiveness of this Charter to determine its appropriateness to the needs of the Company from time to time and approving any amendments to this Charter.