

# Board Charter

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## Group Statement



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## 1 Introduction

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- 1.1 This Charter sets out the role, responsibilities, and powers of the Board of Directors (“Board”) of BSA Limited (“BSA”).
- 1.2 In carrying out the responsibilities and powers set out in this Charter, the Board will at all times recognise its overriding responsibility to act honestly, diligently and in accordance with the law in the best interests of BSA’s shareholders and having regard to the interests of its other stakeholders, including its employees.

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## 2 Purpose and role

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1.1. The Board is responsible for:

- (a) strategic matters comprising:
  - (i) defining BSA’s purpose and setting broad strategic direction for BSA;
  - (ii) approving the objectives, goals and strategic plan proposed by management with a view to maximising shareholder value and overseeing management in its implementation of these generally;
  - (iii) approving major capital expenditure, capital management and acquisitions; and
- (b) delegation and supervision matters comprising:
  - (i) appointing, remunerating, and terminating the services of the Managing Director;
  - (ii) monitoring and assessing the performance of the Managing Director;
  - (iii) monitoring the appointment and replacement of other senior executives and the company secretary;
  - (iv) ensuring the Managing Director has an adequate management succession plan;
  - (v) ensuring appropriate resources are available to senior executives;
  - (vi) satisfying itself that BSA’s remuneration policies are aligned with BSA’s purpose, values, strategic objectives, and risk appetite; and
- (c) risk matters comprising:
  - (i) approving and maintaining an appropriate risk management framework (for both financial and non-financial risks) and internal control systems to identify, assess, monitor and manage BSA’s business risks on an ongoing basis;
  - (ii) setting the risk appetite within which the Board expects management to operate;
  - (iii) overseeing the integrity of BSA’s accounting and corporate reporting systems, including the external audit;
  - (iv) satisfying itself that an appropriate framework exists for relevant information to be properly reported by management to the Board;
  - (v) monitoring management’s performance against BSA’s risk management framework, including whether it is operating within the risk appetite set by the Board;
  - (vi) reviewing any material incident involving fraud or a breakdown of BSA’s risk controls and the “lessons learned”;
  - (vii) receiving reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks;

- (viii) overseeing BSA's insurance program, having regard to BSA's business and the insurable risks associated with its business;
- (ix) considering and disclosing any material exposure to environmental or social risks and how those risks are managed; and
- (d) corporate governance matters comprising:
  - (i) developing corporate governance principles, codes and charters which should apply to BSA, including the Corporate Governance Statement;
  - (ii) approving appropriate BSA policies, procedures and codes of behaviour as required to maintain a culture of integrity and a strong framework of corporate governance;
  - (iii) monitoring the effectiveness of BSA's governance practices;
  - (iv) reviewing the establishment and reporting of management's diversity objectives for BSA;
  - (v) establishing board diversity objectives;
  - (vi) overseeing BSA's processes for making timely and balanced disclosure of all material information concerning BSA that a reasonable person would expect to have a material effect on the price or value of BSA's securities and communications to the market generally;
  - (vii) providing a non-executive contact point via direct email for employees, shareholders or other stakeholders to submit for investigation any serious complaint against BSA or its representatives which is not considered appropriate for management to address; and
- (e) nomination matters comprising:
  - (i) ensuring appropriate Board succession plans are in place;
  - (ii) identifying and assessing the necessary and desirable competencies of Board members;
  - (iii) assessing the appropriate mix of skills, experience, expertise and diversity required by the Board;
  - (iv) where necessary, having regard to the skills, experience, expertise and diversity required and the skills experience, expertise and diversity represented, implementing a process to identify suitable candidates for appointment to the Board;
  - (v) ensuring there are appropriate due diligence and confidentiality procedures in place for presentations to, and for adoption by, candidates considered for appointment to the Board;
  - (vi) establishing formal and substantive procedures for the election and re-election of retiring Directors, having regard to BSA's tenure policy and the mix of skills, experience, expertise and diversity required by the Board;
  - (vii) establishing induction programs and ensuring appropriate continual professional development for directors; and
  - (viii) seeking advice from external consultants or specialists where necessary or appropriate.

1.2. In performing the responsibilities set out above, the Board should act at all times:

- (a) in a manner designed to create and build sustainable value for shareholders; and
- (b) in accordance with the duties and obligations imposed on it by the law and BSA's Constitution.

2.3 The Chair of the Board is responsible for:

- a) leading the Board, facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management; and

- b) approving Board agendas and ensuring that adequate time is available for discussion of all agenda items, including strategic issues.

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### **3 Powers**

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In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:

- a) approval of transactions, expenditure or other matters in excess of discretions delegated to management from time to time;
- b) approval of the following:
  - (i) BSA's strategic business plan and budget;
  - (ii) significant changes in organisation structure;
  - (iii) the acquisition, establishment, disposal or cessation of any significant business;
  - (iv) the issue of any securities or equity instruments;
  - (v) the appointment and terms of service of the Company Secretary and Chief Financial Officer;
  - (vi) any public statements which reflect significant issues of BSA policy or strategy;
  - (vii) any changes to discretions delegated from the Board; and
- c) approving and monitoring financial and other reporting.

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### **4 Composition**

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- 4.1. The Board's preference is a composition of a majority of independent Directors. Independence will be assessed in accordance with Section 5 below.
- 4.2. The Board's preference is to appoint a chairperson who is an independent Director of BSA.
- 4.3. The Board's composition shall at all times reflect the appropriate mix of skills, experience, expertise, and diversity, as determined by the Board.

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### **5 Independence**

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5.1 A Director shall be regarded as independent if that Director is a non-executive Director and:

- (a) is not a substantial shareholder of BSA or an officer of, or otherwise associated directly with, a substantial shareholder of BSA;
- (b) if previously employed in an executive capacity by BSA or another group member, there has been a period of at least three years between ceasing such employment and serving on the Board, or if that condition has not been met, that after serving at least three years on the Board as a non-executive Director, the Board considers that the Director has consistently exhibited independent judgement and at all times acted in the best interests of shareholders;
- (c) within the last three years has not been a principal of a material professional adviser or a material consultant to BSA or another group member, or an employee materially associated with the service provided;

- (d) is not a material supplier or customer of BSA or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has no material contractual relationship with BSA or another group member other than as a Director of BSA;
- (f) has not served on a Board for a period which could, or could reasonably be perceived to, materially interfere with the Directors' ability to act in the best interests of BSA;
- (g) does not receive performance based remuneration from, or participates in an employee incentive scheme of BSA; and
- (h) is free from any interest and any business or other personal relationship which could, or could reasonably be perceived to, materially interfere with the Directors' ability to act in the best interests of BSA or create a conflict of interest.

5.2. The Board regularly assesses the independence of all non-executive Directors.

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## 6 Board Committees

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- 6.1. The Board may from time to time establish Committees to assist it in carrying out its responsibilities and shall adopt Charters setting out matters relevant to the Committees' composition, duties, responsibilities and other relevant matters.
- 6.2. At a minimum, the Board shall establish the following committees:
  - (a) Audit Committee; and
  - (b) Remuneration Committee.

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## 7 REVIEW

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- 7.1. The Board is responsible for establishing procedures for an annual evaluation of the Board as a whole, its Committees and individual Directors. The Board does this through an annual self-assessment process and any recommendations for improvement which become apparent from that review are discussed by the Board.
- 7.2. The Board shall review its Charter annually to ensure that it is operating effectively.

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## 8 PROCEDURES

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- 8.1 In accordance with BSA's Constitution, a quorum for a Board meeting shall be any three Directors.
- 8.2 Board meetings will be held at least 8 times per year.
- 8.3 Draft minutes of each Board meeting are to be prepared and forwarded to the Chairman as soon as possible after the meeting and after any amendments by the Chairman, to the remaining Directors. Directors should advise their approval or any requested amendments to the Company Secretary so that the approved minutes may be entered into the minute book and signed by the Chairman at the next meeting of the board.
- 8.4 The Role of the Board and Management

The Board of BSA is responsible for the overall corporate governance of the BSA Group, including its ethical behaviour, strategic direction, establishing goals for management and monitoring the achievement of those goals with a view to optimising BSA's performance and maximizing shareholder value.

The role of management is to support the managing director and implement the running of the general operations and financial business of BSA, in accordance with the delegated authority of the Board. The senior executive team will also be responsible for providing the Board with accurate, timely and clear information on BSA's financial performance and compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of BSA to enable the Board to perform its responsibilities.

#### 8.5 Independent Advice

Directors of BSA have the right to seek independent professional advice at the expense of BSA with the prior knowledge and approval of the Chairman or Company Secretary as a director sees fit during the course of discharging the director's fiduciary duties.

#### 8.6 Appointment and Reappointment of Directors and Appointment of Senior Executives

- (a) Prior to appointing a director or senior executive or putting someone forward for election as a director, BSA undertakes appropriate checks including checks as to the person's character, experience, education, criminal record and bankruptcy history.
- (b) BSA will provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director, including biographical details, other material directorships and whether the director would be considered to be independent.
- (c) BSA has a written agreement with each director and senior executive setting out the terms of their appointment.

#### 8.7. The Role of the Company Secretary

The Board will appoint at least one Company Secretary. The Company Secretary is accountable to the Board on all matters to do with the proper functioning of the Board.

The Company Secretary is responsible for coordination of all Board business, including agendas, Board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.

The Company Secretary should also:

- (a) Advise the Board and its committees on governance matters; and
- (b) Monitor that Board and committee policy and procedures are followed.

All Directors will have direct access to the Company Secretary.