

# Board Charter

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Alcidion Group Limited  
ACN 143 142 410

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BOARD APPROVED

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**Adopted** 25 July 2019

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**Review** 23 January 2020

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## **1 Introduction**

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- 1.1 This Board Charter sets out the principles for the operation of the board of directors (Board) of Alcidion Group Limited (Company) and describes the functions of the Board. The Company and its controlled entities are collectively referred to as the Group.
- 1.2 The Board is responsible for the corporate governance of the Group. This Charter sets out the roles and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and operation of the Board.
- 1.3 The Board derives its authority to act from the Company's Constitution.
- 1.4 In carrying out the responsibilities and powers set out in this Charter, the Board:
  - (i) recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
  - (ii) recognises its duties and responsibilities to its employees, customers and the community.

## **2 Composition of the Board**

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- 2.1 The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
- 2.2 In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- 2.3 Where practical, the majority of the Board should be comprised of non-executive Directors. Where practical, at least 50% of the Board will be independent. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with, the exercise of independent judgement. Independent Directors should meet the definition of what constitutes independence as set out in the ASX Corporate Governance Council Principles and Recommendations.

## **3 Responsibilities of the Board**

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- 3.1 The Board acts in the best interests of the Company as a whole and is accountable to shareholder for the overall financial management and corporate governance of the Group.
- 3.2 In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:
  - (i) Appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
  - (ii) Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
  - (iii) Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;

- (iv) Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (v) Approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (vi) Approving the annual, half yearly and quarterly accounts;
- (vii) Approving significant changes to the organisational structure;
- (viii) Approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules);
- (ix) Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (x) Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules); and
- (xi) meeting with the external auditor, at their request, without management being present.

#### **4 Relationship between the Board and Management**

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- 4.1 The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer.
- 4.2 In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

#### **5 Director Responsibilities**

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- 5.1 Directors are expected to attend and participate in Board meetings and meetings of committees on which they serve.
- 5.2 Directors are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 5.3 Directors are expected to review meeting materials before Board meetings and committee meetings.
- 5.4 Directors must disclose their interests. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- 5.5 Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- 5.6 Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- 5.7 No member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.

- 5.8 Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Nomination Committee to ensure that they continue to contribute effectively to the Board.
- 5.9 The Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.

## **6 The Chairperson**

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- 6.1 Where practical, the Chairperson should be a non-executive Director. If a Chairperson ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- 6.2 Where practical, the Chief Executive Officer should not be the Chairperson of the Company during his or her term as Chief Executive Officer or in the future.
- 6.3 The Chairperson must be able to commit the time to discharge the role effectively.
- 6.4 The Chairperson is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- 6.5 The Chairperson should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- 6.6 In the event that the Chairperson is absent from a meeting of the Board then the Board shall appoint a Chairperson for that meeting.

## **7 The Company Secretary**

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- 7.1 When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its committees and between senior executives and non-executive Directors.
- 7.2 The Company Secretary is to facilitate the induction of new Directors.
- 7.3 The Company Secretary is to facilitate the implementation of Board policies and procedures.
- 7.4 The Company Secretary is to provide advice to the Board, on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.
- 7.5 All Directors have access to the advice and services provided by the Company Secretary.
- 7.6 The Board has the responsibility for the appointment and removal of the Company Secretary.

## **8 Board Committees**

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- 8.1 Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of Board committees. To this end the Board has established a Nomination and Remuneration Committee and Audit and Risk Committee (collectively, Committees).
- 8.2 The Company may establish other committees from time to time.

- 8.3 The charter of each Committee must be approved by the Board and reviewed following any applicable regulatory changes.
- 8.4 Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- 8.5 The Company must disclose the members and Chair of each Committee in, or in conjunction with, its annual report.
- 8.6 The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.
- 8.7 The Company must disclose in, or in conjunction with, its annual report, in relation to each reporting period relevant to a Committee, the number of times each Committee met throughout the period and the individual attendances of the members at those Committee meetings.

## **9 Board Meetings**

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- 9.1 There must be a minimum of two Directors present at a meeting to constitute a quorum.
- 9.2 The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.
- 9.3 Non-executive Directors may confer at scheduled times without management being present.
- 9.4 The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairperson and circulated to Directors after each meeting.
- 9.5 The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.
- 9.6 Minutes of meetings must be approved at the next Board meeting.
- 9.7 Further details regarding board meetings are set out in the Company's Constitution.

## **10 Conflicts**

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- 10.1 Directors 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 potential conflicts of interest.
- 10.2 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 must:
- (i) Disclose to the Chairperson of the Board (or in their absence the Deputy Chairperson) any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
  - (ii) The Chairperson must disclose to the of the Audit and Risk Committee and/or the Company Secretary if they become aware of any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
  - (iii) Take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and

- (iv) Comply with the Corporations Act and the Company's Constitution in relation to disclosing material person interests and restriction on voting.
- 10.3 If a conflict exists, 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.
- 10.4 Directors are expected to inform the Chairperson (or in their absence the Deputy Chairperson) of the Board of any proposed appointment to the board or executive of another company as soon as practicable.

## **11 Access to information and independent advice by Directors**

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- 11.1 All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.
- 11.2 All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- 11.3 The Board, Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairperson. A copy of any such advice received is made available to all members of the Board.

## **12 Charter Review**

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- 12.1 The Company Secretary will review this Charter annually or as often as he or she considers necessary.
- 12.2 Any amendment to this Charter must be approved by the Board.

## **13 Approved and adopted**

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- 13.1 This Policy was approved and adopted by the Board on 25 July 2019.