

# **Corporate Governance Policy**

**Traffic Technologies Limited**

ACN 080 415 407

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# Corporate Governance Policy

## Introduction

Corporate governance refers to the system by which companies are directed and managed. It influences how the objectives of a company are set and achieved, how risk is monitored and assessed, and how performance is optimised. What constitutes good corporate governance will evolve with the changing circumstances of a company and must be tailored to meet those circumstances.

## ASX's best practice recommendations

The ASX Corporate Governance Council (**Council**) provides guidelines in relation to corporate governance, entitled "*Corporate Governance Principles and Recommendations*" (4th Edition). This document articulates 8 central principles and 35 best practice recommendations, as well as 3 additional recommendations, which apply in limited circumstances (**ASX Principles and Recommendations**). The Council believes that the ASX Principles and Recommendations underscore good corporate governance and includes guidelines to assist companies in complying with the ASX Principles and Recommendations. The board of directors (**Board**) of **Traffic Technologies Limited** ACN 080 415 407 (**Company**) supports the central principles and best practice recommendations published by the Council. The current policies, procedures and practices of the Company as contained in this Corporate Governance Policy (**Corporate Governance Policy**) comply with the Council's principles and best practice recommendations to the extent possible taking into account the Company's size, complexity, history and corporate culture.

As required under ASX Listing Rule 4.10.3, the Company will include in its annual report either the corporate governance statement (which discloses the extent to which the Company has followed the ASX Principles and Recommendations), or the URL of the page on the Company's website where the corporate governance statement can be located.

The Company will also lodge an *Appendix 4G Key to Disclosures Corporate Governance Council Principles and Recommendations*.

## Company corporate governance policies and charters

The Company has adopted the following corporate governance charters and policies:

1. Primary Board Charter;
2. Diversity Charter;
3. Trading Charter;
4. Audit Charter;
5. Risk Charter;
6. Nomination and Remuneration Committee Charter;
7. Corporate Governance Charter;
8. Continuous Disclosure Charter;

9. Code of Conduct and other supplementary policies.

Attached are copies of each of the above charters and policies as adopted by the Board.

## 1. Primary Board Charter

This policy sets out the major principles adopted by the Board to manage its affairs and enable it to discharge its responsibilities. It operates in conjunction with the constitution of the Company and relevant laws (including under the *Corporations Act 2001 (Cth)* (**Corporations Act**) and ASX Listing Rules).

### 1.1 Responsibilities and functions of the Board

The Board is responsible for setting the strategic direction of the Company and for overseeing and monitoring its businesses and affairs. Directors are accountable to the shareholders for the Company's performance.

The Board's overriding objective is to increase shareholder value within an appropriate framework that protects the rights and enhances the interests of all shareholders, whilst ensuring that the Company is properly managed. Directors must fulfil their fiduciary obligations to shareholders, and must also consider the interests of other stakeholders in the Company including but not limited to employees, customers and creditors with a legitimate interest in the Company's business.

The Board reviews and approves the Company's business plans and guiding policies (as included in this Corporate Governance Policy), while day to day management of the Company's affairs and implementation of its strategy and policy initiatives are delegated to the Managing Director who, in turn, delegates to other senior executives.

The senior executive team is responsible for implementing the Company's strategic objectives while operating within the values, Code of Conduct (attached at section 9 of this Corporate Governance Policy), budget and risk appetite as set by the Board. In addition, the senior executive team will also provide the Board with accurate, timely and clear information relating to the Company's financial performance, compliance with any legal and regulatory requirements and any conduct that is materially inconsistent with the Company's values or Code of Conduct.

For guidance, the Board has also developed a broad set of supplementary policies (attached as section 7 to this Policy) describing how to deal with conflicts of interest, disclosures to the investment community and its shareholder communication strategy. In addition, in order to align with the requirements under the mandatory whistleblower protection regime in Australia, the Board has also developed a Whistleblower Policy to enable and encourage the disclosure of misconduct.

The primary functions of the Board include to:

- (a) demonstrate leadership and set overall goals for the Company;
- (b) approve strategies, objectives, statement of values (which can be found in the "Corporate Governance" section on the Company's website), plans and code of conduct to underpin the desired culture within the Company to achieve these goals;
- (c) ensure that an appropriate framework exists for relevant information to be reported by management to the Board;

- (d) ensure business risks are identified and approve systems and controls to manage those risks and monitor compliance;
- (e) approve the Company's major human resources policies and oversee the development strategies for senior and high performing executives;
- (f) approve financial plans, annual budgets and major capital expenditures and ensure that the Company's remuneration framework aligns with the Company's values, strategic objectives and risk appetite;
- (g) monitor and hold to account executive management and business performance in implementing and achieving strategic and business objectives;
- (h) approve key management recommendations (such as major capital expenditures, acquisitions, divestments, restructures and funding);
- (i) appoint and/or remove the Managing Director and Chief Financial Officer and ratify the appointment and/or removal of executives reporting directly to the Managing Director;
- (j) appoint and/or remove the chairperson of the Board (**Chairperson**);
- (k) report to shareholders on the Company's strategic direction and performance including constructive engagement in the development, execution and modification of the Company's strategies;
- (l) oversee the management of occupational health and safety and environmental performance;
- (m) determine that satisfactory arrangements are in place for auditing the Company's financial affairs and oversee the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (n) meet statutory and regulatory requirements, oversee the way in which the business risks and the assets of the Company are managed and ensuring the Company has an appropriate risk management framework in place for both financial and non-financial risks; and
- (o) monitor the effectiveness of the Company's governance practices.

## 1.2 Composition of the Board

The composition of the Board is determined using the following principles:

- (a) the Board is comprised of a minimum of 3 and a maximum of 10 directors. The directors have power under the Company's constitution to determine the number of directors from time to time, above 3 but not exceeding 10;
- (b) the Chairperson of the Board is to be an independent non-executive director and is not to be the CEO of the Company (if applicable);
- (c) where possible, the Board is comprised of a diverse group of directors particularly in relation to gender or gender identity, age, marital or family status, sexual orientation, religious beliefs, ethnicities and cultural and socio-economic backgrounds; and

- (d) the Board will always contain a majority of independent non-executive directors.

### 1.3 Chairperson

The Chairperson is responsible for leading the Board, facilitating the contribution of the directors and promoting constructive and respectful relationships between directors, the Board and management.

In addition, the Chairperson is responsible for approving board agendas and timekeeping to ensure that adequate time is available to discuss all agenda items, including strategic issues.

### 1.4 Independent directors

All directors, whether independent or not, should bring an independent judgement to bear on Board decisions. 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.

In determining whether a non-executive director is considered by the Board to be independent, the following factors will be considered:

- (a) whether the director would be considered to have a "substantial holding" in the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company (as defined in section 9 of the Corporations Act) if the Company were incorporated in Australia;
- (a) whether the director was employed in an executive capacity by the Company or another group member and such employment ceased less than three years before serving on the Board;
- (b) whether the director receives performance-based remuneration (including options or performance rights) from the Company or participates in an employee incentive scheme;
- (c) whether the director is an officer or associate of someone, or is or has been within the last 3 years, in a material business relationship with the Company or another group member (i.e. as a supplier, professional adviser, consultant or customer);
- (d) whether the director is or has been, within the last three years, a principal 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;
- (e) whether the director is or has within the previous three years been employed by, or a partner of, the external auditors of the Company or another group member;
- (f) whether the director is a material supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer of the company or another group member;
- (g) whether the director has a material contractual relationship with the Company or another group member other than as a director of the Company; and

- (h) whether the director is free from any interest and any business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company (e.g. the director is not a substantial holder in the Company).

Family or close personal ties, friendships, cross-directorships and other social or business connections may also be relevant in considering interests and relationships which may compromise the independence of a director.

Directors considered by the Board to be independent will be identified as such, along with their length of service in that capacity, in the "Corporate Governance" section in the Company's annual report. The Board will state its reasons if it considers a director to be independent, despite the existence of any relationship set out above, and the "Corporate Governance" section in the Company's annual report will disclose the existence of any and all such relationships on an exceptions basis.

The Board will regularly assess whether each non-executive director is considered to be independent. Information relevant to this assessment must be provided to the Board by each non-executive director. Should a director's independent status change, this will be disclosed and explained in a timely manner to the market.

## **1.5 Skills and diversity**

The Board will ensure it collectively has the appropriate range of skills, knowledge, experience, expertise and diversity to properly fulfil its responsibilities, particularly in areas which include:

- (a) accounting;
- (b) finance;
- (c) business;
- (d) the Company's industry;
- (b) CEO level experience; and
- (e) relevant technical expertise.

The Board will review the range of skills and diversity of its members on a regular basis and ensure it has operational and technical expertise relevant to the operation of the Company.

## **1.6 Appointment and retirement of directors**

The Nomination and Remuneration Committee will regularly review the composition of the Board and, if it is considered appropriate to appoint new directors to the Board, will arrange for the matter to be discussed at a full Board meeting. Nominations will be received and reviewed by the Board. The Board will then determine any special qualifications, experience or other prerequisites for the new director, and the manner of selecting that director.

The Nomination and Remuneration Committee will ensure appropriate checks (including those of the person's character, experience, education, criminal record and bankruptcy history) are undertaken before it appoints a person, or nominates a new candidate for election, as a director.

The Nomination and Remuneration Committee may use external consultants to access a wide base of potential directors. In considering the potential candidates, the Board will have regard to the range of skills and experience required in light of:

- (a) the current composition of the Board;
- (b) the need for independence;
- (c) the need for diversity in succession planning;
- (d) the strategic direction and progress of the Company; and
- (e) the geographic spread and diversity of the Company's business.

If the need for a new Board member is identified, the candidate must stand for election at the next general meeting of shareholders. In order to provide greater transparency around the appointment process, the Company will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect a director including:

- (a) an overview of the process used to identify candidates, including use of a skills matrix or external consultants;
- (b) steps taken to ensure a diverse range of candidates are considered;
- (c) factors taken into account in the selection process; and
- (d) a statement from the Board as to whether it supports the proposed candidate's nomination.

The following information about the candidate standing for election or re-election as a director will be provided to shareholders to enable them to make an informed decision on whether or not to elect or re-elect the candidate:

- (a) biographical details, including the candidate's relevant qualifications and experience and the skills they bring to the Board;
- (b) details of any other material directorships currently held by the candidate;
- (c) in the case of a candidate standing for election as a director for the first time:
  - (i) confirmation that the Company has conducted appropriate checks into the candidate's background and experience (including those relating to the candidate's character, education, criminal record and bankruptcy history);
  - (ii) any material adverse information revealed about the candidate from the checks the Company has performed;
  - (iii) details of any interest, position, or relationship that may materially influence, or may reasonably be perceived to materially influence the candidate's capacity to independently judge issues before the Board and to act in the best interests of the Company as a whole, and its shareholders generally, rather than in the interests of an individual security holder or other party; and
  - (iv) if the Board considers the candidate will qualify as an independent director, a statement to that effect;

- (d) in the case of a candidate standing for re-election as a director:
  - (i) the term of office currently served by the candidate; and
  - (ii) if the Board considers the candidate to be an independent director, a statement to that effect; and
- (e) a statement by the Board as to whether it supports the election or re-election of the candidate and a summary of the reasons why.

A candidate for appointment or election as a director should provide the Board or the Nomination and Remuneration Committee with the information listed above and a consent for the Company to conduct any background or other checks the Company would ordinarily conduct. The candidate should also provide details of his or her other commitments and an indication of time involved, and should specifically acknowledge to the Company that he or she will have sufficient time to fulfil his or her responsibilities as a director.

Where the Company makes a provisional appointment of a director or senior executive (**Interim Director**), it should ensure that the Interim Director signs an undertaking indicating that they will resign should the Company receive any outstanding background check that the Company considers to be unsatisfactory.

No director except the Managing Director may hold office for a period in excess of 3 years, or beyond the third annual general meeting (**AGM**) following the director's election, whichever is the longer, without submitting himself or herself for re-election.

One third of all directors, except the Managing Director, will retire by rotation each year but may offer themselves for re-election for a further 3 year period.

The Company does not have a policy with regard to establishing a maximum term for the appointment of a director.

With the exception of outsourcing certain roles from time to time to a professional services firm, the Company will enter into written agreements with each director and senior executive personally, which will set out the terms of their appointment.

In the case of a non-executive director, the agreement should generally include:

- (f) the requirement to disclose the directors' interests and any matters which may affect the director's independence;
- (g) the requirement to comply with key corporate policies, including the Company's Code of Conduct, anti-bribery and corruption obligations (attached at section 9 of this Corporate Governance Policy), and its Trading Policy;
- (h) the requirement to notify the Company of, or seek the Company's approval before accepting, any new role that could impact on the time commitment expected of the director or give rise to a conflict of interest;
- (i) the Company's policy on when directors may seek independent professional advice at the expense of the Company;
- (j) indemnity and insurance arrangements;
- (k) ongoing rights of access to corporate information; and

(l) ongoing confidentiality obligations.

## **1.7 Board meetings**

Board meetings are generally held on a monthly basis. All directors are expected to prepare fully for all Board meetings, and to attend as many Board meetings as reasonably practicable.

Where possible, the Board meeting agenda and relevant papers will be distributed to all directors at least 4 days prior to the meeting. Where a director does not speak the language in which board meetings are held or key corporate documents (such as the entity's constitution, prospectus, PDS, corporate reports and continuous disclosure announcements) are written, the Board confirms that official translated copies of the meeting documents are provided to the director and an interpreter of the relevant language is available to interpret the Board meeting for the director to ensure that the director understands and can contribute to the discussions at the Board meeting and understands and can discharge their obligations in relation to the documents.

Directors are expected to be available for the full duration of the meeting as notified in the meeting agenda.

Directors will keep confidential all Board discussions, deliberations and decisions that are not publicly known. Outside the boardroom, directors will support the letter and spirit of Board decisions.

Confidential information received by a director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been properly authorised, or is required by law.

## **1.8 Committee meetings**

The Board has established a number of Board committees to assist in the execution of its responsibilities. In addition to these permanent committees, it is the practice of the Board to establish ad hoc sub committees on an "as needed" basis. All directors are expected to be available for membership to these committees and such members are to prepare fully for relevant committee meetings and to attend as many as is reasonably practicable. The agenda and papers for Board committee meetings will be distributed, where possible, at least 4 days prior to each meeting.

## **1.9 Other meetings**

In addition to formal Board and committee meetings, directors are also required to attend functions and activities on behalf of the Company. This will include meetings with staff, customers and suppliers. All directors are expected to make themselves available for these functions and activities.

## **1.10 Remuneration of directors**

Executive directors receive no extra remuneration for their service on the Board beyond their executive salary package.

Remuneration of non-executive directors is determined in maximum aggregate by the shareholders, and is allocated by the Board on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will take independent advice with respect to directors' fees on an as needed basis.

Directors' fees are paid on a gross fees basis (except GST where applicable). There is no separate payment made for attendance at Board committee meetings or for other attendances to Company or Board activities.

Directors are not required to hold shares in the Company as part of their appointment.

The reasonable expenses incurred by directors in discharging their obligations and performing their duties will be reimbursed by the Company, consistent with Company policies which are established from time to time.

No individual director will be involved in deciding their own remuneration and there is to be no plan to provide remuneration, reward or other benefits to non-executive directors on their cessation as a director.

Please refer to the Nomination and Remuneration Charter in section 6 of this Corporate Governance Policy for further information on the remuneration of executive and non-executive directors.

## **1.11 Board appraisal**

A structured process has been established to review and evaluate the performance of the Board, its committees and individual directors. Each year, a survey of directors is coordinated by the Chairperson to review the role of the Board, its committees and individual directors, to assess the performance of the Board over the previous 12 months such as the currency of a director's knowledge and skills or if a director's performance has been impacted by other commitments, and to examine ways of assisting the Board in performing its duties more effectively, such as through further education.

The Chairperson will have individual meetings with each director and selected senior executives to assess their views on these issues and to identify any areas of concern or opportunity for improvement of performance of the Board or individual directors or both.

The Chairperson will provide a summary of his or her findings to the Nomination and Remuneration Committee and to the full Board and is responsible for ensuring agreed actions are implemented. It is recognised that some findings will be of a sensitive nature and will not be included in the Chairperson's report but will be acted on by the Chairperson on a one to one basis.

This process will occur at least once each calendar year and more frequently at the discretion of the Chairperson.

At the end of the Company's reporting period, details of whether such a review has taken place will be included in the "Corporate Governance" section on the Company's website.

A sample of the issues that may be reviewed are listed below:

### **(a) Board - General**

- (i) Board agenda and papers;
- (ii) conduct of meetings;
- (iii) committee structure and performance;
- (iv) effectiveness of Board working together;

- (v) relationships with senior executives;
- (vi) relationships with shareholders; and
- (vii) AGM.

**(b) Board - Activities**

- (i) quality of strategy and performance indicators;
- (ii) adequacy of risk management practices;
- (iii) corporate governance practices;
- (iv) performance of Auditor;
- (v) quality of management presentations; and
- (vi) management disclosure of key information.

**(c) Individual performance evaluations**

- (i) contribution of individual directors;
- (ii) performance of senior executives;
- (iii) performance of Company Secretary.

**(d) Looking forward**

- (i) mix of skills – current and future requirements; and
- (ii) areas for improvement.

## **1.12 Senior Management performance evaluation**

The Board will annually review the performance of its senior executives and address any issues that may emerge from that review. The Board has authority to develop key performance indicators for management to assess the performance of each senior executive. At the end of the Company's reporting period, details of whether such a review has taken place will be included in the "Corporate Governance" section on the Company's website.

## **1.13 Directors' other interests**

Directors' must declare any other interests, which are likely to conflict with the interests of the Company, at the time the interest arises or the potential conflict becomes apparent. If a conflict actually arises, subject to the Corporations Act, the director concerned will not attend the meeting at which the issue is discussed and will abstain from voting on the issue.

Each director is required to provide, and to continually update the Company with, details of their other interests (for example, employment, directorships, potential conflicts of interest, interests in contracts to which the Company is party, related party transactions, family ties) both before and during the holding of office.

### **1.14 Independent professional advice**

Each director has the right, with the prior approval of the Chairperson (such approval not to be withheld except in the case of an unreasonable request by a director), to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil his or her duties and responsibilities as a director.

Where the Chairperson wishes to obtain independent professional advice, the Chairperson must obtain the prior authorisation of the Chairperson of the Risk Committee (such approval not to be withheld except in the case of an unreasonable request by the Chairperson).

A copy of all the advice must be provided immediately to the Chairperson, and made available at the next Board meeting following receipt of the advice, unless it is privileged according to law and such disclosure would jeopardise that privilege.

### **1.15 Agreement for provision of information to ASX**

Where the Company is required under the ASX Listing Rules and in contracts relevant to its securities to provide information to the ASX, the Company will enter into an agreement with each director obliging them to provide the necessary information to the Company to enable the Company to discharge those obligations.

All directors are required to enter into such an agreement and to provide the specified information within the agreed timeframe.

### **1.16 Buying and selling shares**

The Corporations Act prohibits "insider trading" and imposes significant penalties if a person with "inside information" engages in insider trading.

"Inside information" includes profit projections, knowledge of large contracts won or lost, knowledge of a merger or takeover or sale or knowledge of a significant change in personnel. The offence of insider trading relates to the use of inside information to trade or cause (i.e. incite, induce, encourage, or tip off) others to trade in the Company's shares.

In response to the above, the Company has developed a separate Trading Charter which directors are required to comply with in all trading activities. Set out in section 3 of this Policy, the Trading Charter:

- (a) recognises it is the individual responsibility of each director, officer and employee to ensure they comply with insider trading laws; and
- (b) prohibits directors, executive and employees from directly or indirectly buying, selling or otherwise trading in the Company's shares, or in shares of any other corporation, where:
  - (i) by reason of being a director of the Company or any other corporation they possess material, price sensitive information which is not generally available; or
  - (ii) buying or selling those shares in some way infringes the law against insider trading.

### **1.17 Continuous disclosure**

The Board is aware of its obligations with respect to continuous disclosure of material information and embraces the principle of providing access to that information to the widest audience of investors. The Board will regularly review the effectiveness of the Company's procedures to ensure its continuous disclosure is maintained.

The Company, in accordance with the provisions of the Corporations Act and the ASX Listing Rules, will advise ASX of any transaction conducted by directors in securities in the Company. A Board policy "*Disclosures to the Investment Community*" has been issued and all directors are required to comply with that policy. A copy of the policy forms part of section 7 of this Policy.

### **1.18 Director education**

The Company has an informal process to educate new and existing directors about the nature of its business, risk management position, current issues, corporate and financial strategy and position, and the expectations concerning performance of directors to ensure they have a thorough understanding of their roles and responsibilities.

### **1.19 Compliance officer**

The Board will ensure a responsible executive of the Company is appointed as the Compliance Officer of the Company at all times. The Compliance Officer is responsible for arranging and monitoring the compliance obligations of the Company as well as reporting to the Board on the performance of those obligations. Unless a more appropriate officer is available, the Company Secretary will be appointed as the Compliance Officer.

### **1.20 Board committees**

To ensure the Board has adequate time to concentrate on strategy, planning and performance enhancement, the Board will delegate certain specific duties to Board committees. There are currently 4 committees that have been established, the Nomination and Remuneration Committee, the Audit Committee, the Risk Committee and the Corporate Governance Committee. Each committee has a defined charter to assist and support the Board in the conduct of its duties and obligations. The structure and membership of each committee and their charters are reviewed annually. Other committees may be constituted from time to time, as required.

### **1.21 Company Secretary**

The Company Secretary is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.

The role of the Company Secretary includes, among other things:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring whether Board and committee policies and procedures are followed;
- (c) coordinating the timely completion and despatch of Board and committee papers;
- (d) ensuring the business at Board and committee meetings is accurately captured in the minutes; and

- (e) helping to organise and facilitate the induction and professional development of directors.

The decision to appoint a Company Secretary will be formally resolved by the Board in accordance with section 204D of the Corporations Act. The decision to remove a Company Secretary will be made or approved by the Board.

## 2. Diversity Charter

This Diversity Charter sets out the Company's approach to diversity including the key principles and measurable objectives used to support the achievement of diversity at all levels of the Company's workforce. The Company recognises diversity occurs in many forms including gender, age, ethnicity and cultural background.

The Company acknowledges increased gender diversity is associated with better financial performance, greater innovation and has a positive impact on the entire economy. The Company aspires to promote a workplace environment that attracts, retains and supports a diverse range of talent. The Company recognises that, where possible, attracting and maintaining workforce diversity will enable the Company to improve workplace culture and most effectively achieve the corporate goals of the Company.

The Company further acknowledges its policies, culture and environment will be cast to ensure a properly functioning diverse workplace and in so doing, discrimination, harassment, vilification and victimisation will not be tolerated.

### 2.1 Key principles

The following principles underpin the Company's approach to diversity:

- (a) fostering a culture supportive of diversity at all levels within the Company will enhance the recruitment, development and retention of a talented and motivated workforce;
- (b) achieving an appropriate level of diversity will require establishing and maintaining career and leadership development programs;
- (c) a necessary aspect of achieving diversity includes removing barriers to diversity such as "groupthink" or other cognitive biases from decision making;
- (d) measurable objectives will be transparent and fit for purpose;
- (e) steps taken to support the Company's diversity objectives will be consistent with the established approach to performance and reward; and
- (f) recognising that employees at all levels may have domestic responsibilities and, where possible within the business, adopting reasonable flexible work practices will assist them to meet those responsibilities.

### 2.2 Measurable objectives

The Board is required to establish measurable objectives for achieving gender diversity and may choose to establish such objectives in relation to other aspects of diversity. On an annual basis, the Board will review these objectives and any progress made towards achieving them. Additionally, the Board, or an appropriate Board committee, will annually review and report on the placement of men and women in the Company's workplace, their relative proportions and the roles in which they are employed.

The Board will establish the following measurable objectives:

- (a) an internal review mechanism that assesses the effectiveness of the diversity policy; and

- (b) appropriate workforce representation targets or other measurement tools that will identify the achievement of gender diversity objectives.

In addition, the measurable objectives may include:

- (a) developing and implementing a diversity plan;
- (b) reviewing recruitment procedures; and
- (c) reviewing female participation in leadership development initiatives.

### **2.3 Disclosure requirements**

The Company will include in the Directors' Report in the annual report an account of the mix of skills and diversity it seeks to achieve in membership of the Board. Where possible, the Company will also include web-links to the names, photographs and biographical information for each of its directors and senior executives.

Each year in the "Corporate Governance" section on the Company's website, the Company will disclose the measurable objectives for achieving gender diversity in accordance with the Diversity Charter and any progress towards achieving them. In particular, the Company will disclose the proportion of women employees in its workforce, in senior management (including how the Company has defined senior management for this purpose) and on the Board.

The Company will post a summary of the Diversity Charter on its website.

### **2.4 Review**

This Diversity Charter will be periodically reviewed to ensure it continues to operate effectively and will be amended as required from time to time.

### 3. Trading Charter

This policy provides guidance to Directors, Key Management Personnel and other employees of Traffic Technologies Limited (**Traffic Technologies**) and its subsidiaries regarding dealing in Traffic Technologies securities or entering into transactions in products which operate to limit the economic risk of holding Traffic Technologies securities.

It has 3 sections:

- » the first section summarises the insider trading provisions of the *Corporations Act 2001 (Cth)* (**Corporations Act**) and applies to all employees;
- » the second section sets out Traffic Technologies' policy about dealing in Traffic Technologies securities and risk limiting products by Directors and Key Management Personnel of Traffic Technologies and its subsidiaries; and
- » the third section sets out Traffic Technologies' policy about dealing in Traffic Technologies securities by other employees (other than Directors and Key Management Personnel).

The policy applies to all "Traffic Technologies securities" which includes shares (e.g. ordinary shares and preference shares), options, rights, convertible notes, derivatives and any other financial product able to be traded on ASX or another stock exchange, whether or not such securities are created by Traffic Technologies or issued or created by third parties. The policy may also apply where Traffic Technologies securities are proposed to be used as security for, or are directly associated with, a proposed transaction (e.g. margin lending). Where this is the case, the proposed transaction should be discussed with the Company Secretary in advance, to determine whether it is covered by this policy.

For the purposes of this policy, Key Management Personnel has the meaning given to the expression in AASB 124: *Related Party Disclosures*, being "*those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity*".

In addition, the policy provisions for Key Management Personnel will apply to any other employee as determined by the Chairman and/or the Managing Director from time to time and so notified in writing by the Company Secretary (see section 3).

#### 1. Insider Trading

- (a) The Corporations Act prohibition

If you possess information and know, or ought reasonably to know, that:

- (i) the information is not generally available to the market; and
- (ii) if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of Traffic Technologies securities (**inside information**),

then, you must not:

- (iii) apply for, buy or sell Traffic Technologies securities or enter into an agreement to do any of those things;

- (iv) procure another person to apply for, buy or sell Traffic Technologies securities or enter into an agreement to do any of those things; or
- (v) communicate the information to another person if you know, or ought reasonably to know, that the other person would or would be likely to apply for, buy or sell Traffic Technologies securities or procure a third person to do any of those things.

The prohibition against insider trading under the Corporations Act also applies to price sensitive information relating to other companies of which a person might become aware, including as a consequence of his or her role with Traffic Technologies.

### 1.1 When would information have a material effect on the price or value?

Information is likely to have a material effect on the price or value of Traffic Technologies securities if it would, or would be likely to influence investors to buy or sell Traffic Technologies securities.

Some examples of information which would be "inside information" are:

- » profit forecasts;
- » proposed issues of securities;
- » borrowings or funding decisions;
- » impending mergers, acquisitions, reconstructions, takeovers, etc;
- » significant litigation;
- » significant changes in operations;
- » new products, services or technology;
- » proposed dividends;
- » management restructuring; and
- » significant new contracts/customers.

### 1.2 Penalties

If a person contravenes the insider trading provisions of the Corporations Act, he or she will potentially be liable for:

- » substantial criminal penalties involving a fine, imprisonment or both; and/or
- » a substantial civil penalty order.

If a person contravenes the insider trading provisions, he or she may also be sued for damages by persons suffering loss as a consequence.

**IMPORTANT:** The guidelines for permissible trading in Traffic Technologies securities set out in sections 2 and 3 below must be read subject to the insider trading provisions of the Corporations Act summarised above. Even if a "trading window" is "open", or if you have been given approval to trade, if you have inside information ***you must not apply for, buy or sell Traffic Technologies***

*securities, procure another to do any of those things or communicate the inside information to others. If in doubt, consult the Company Secretary.*

## **2. Traffic Technologies' policy – Directors and Key Management Personnel**

### **2.1 Short term trading**

Despite anything in this policy, Directors and Key Management Personnel of Traffic Technologies and its subsidiaries must not engage in short term trading of Traffic Technologies securities.

As a guide, the purchase of securities with a view to resale within a 12 month period and the sale of securities with a view to repurchase within a 12 month period would be considered to be transactions of a short term nature. However, the sale of shares immediately after they have been acquired through the conversion of a security will not be regarded as short term trading. If in doubt as to what constitutes short term trading, consult the Company Secretary.

### **2.2 Transactions which limit economic risk**

This policy applies equally to Directors and Key Management Personnel engaging in transactions or arrangements in products which operate to limit the economic risk (**risk limiting products**) in Traffic Technologies securities held by a Director or Key Management Personnel.

In the event that Directors or Key Management Personnel do not enter into such transactions within a trading window (and in accordance with this policy), they must ensure that the nominated settlement procedures will not allow the trigger of a Traffic Technologies security sale by the third party outside a trading window or in a blackout period (without the necessary approval) and where possible as a preference be settled by a cash exchange.

### **2.3 "Trading windows"**

Subject to the insider trading provisions of the Corporations Act and the policy requirements set out below, the recommended times (in terms of avoiding suggestions of insider trading) for any Director or Key Management Personnel to deal in Traffic Technologies securities or risk limiting products are:

- (a) during the 6-week period from (and including) the second business day (not including the day of the trigger event concerned) after the following trigger events:
  - (i) date of Traffic Technologies' annual general meeting;
  - (ii) release of the half yearly results announcement to ASX; and
  - (iii) release of the full year results announcement to ASX;
- (b) during any period determined by the Board and notified to Directors and Key Management Personnel following the release to ASX of price sensitive information which, in the Board's opinion, ensures the market is fully informed; and
- (c) the offer period specified under a disclosure document (e.g. a prospectus) released by Traffic Technologies.

### **2.4 "Blackout periods"**

Subject to the exceptions set out below, Directors and Key Management Personnel must not deal in Traffic Technologies securities or risk limiting products during the following "blackout periods":

- (a) the period from the close of trading on 31 December each year until the commencement of the trading window on the second business day after the release of the half year results announcement;
- (b) the period from the close of trading on 30 June each year until the commencement of the trading window on the second business after the release of the full year results announcement;
- (c) the period starting 4 weeks before AGM until the date after the AGM; and
- (d) any other period determined by the Board from time to time and notified to Directors and Key Management Personnel.

## 2.5 Prior notification and/or consent

Dealings in Traffic Technologies securities or entering into transactions or arrangements in risk limiting products should be limited to the "trading windows" referred to above.

If a Director or a member of the Key Management Personnel wishes to conduct any dealings or enter into transactions during a trading window, prior written notification should be given to:

- (a) in the case of a Director – the Chairman of the Board or his delegate; and
- (b) in the case of Key Management Personnel – the Managing Director (or his nominee, the Company Secretary).

Outside a trading window, a Director or member of the Key Management Personnel must not transact in Traffic Technologies securities or engage in transactions or arrangements in risk limiting products without the prior written consent of:

- (c) in the case of a Director – the Chairman of the Board or his delegate; and
- (d) in the case of Key Management Personnel – the Managing Director (or his nominee, the Company Secretary).

The Chairman, Managing Director or Company Secretary (as applicable) (**Relevant Company Officer**) will generally refuse consent for a Director or Key Management Personnel to apply for, buy or sell Traffic Technologies securities or enter into transactions or arrangements in risk limiting products during a blackout period unless special circumstances exist (including financial hardship and any other exceptional circumstances in which the proposed dealing is the most reasonable course of action available). The decision to give or refuse approval is entirely at the discretion of the Relevant Company Officer (who is not required to give any reasons for his or her decision). Additionally, the Relevant Company Officer may withdraw any clearance to trade if new information comes to light or where there is a change in circumstances.

The Relevant Company Officer's decision to refuse consent for a Director or Key Management Personnel to trade is final and binding. In this regard, such refusal is confidential in nature and must not be disclosed by the Director or Key Management Personnel to any other person, except to the extent necessary to comply with this policy. Consent may be given in any written form and will be effective after it is given, subject

always to "blackout periods" and the qualification that Directors and Key Management Personnel must not apply for, buy or sell Traffic Technologies' securities or engage in transactions or arrangements in risk limiting products at any time if the Director or Key Management Personnel has or becomes aware of any inside information, even if the Relevant Company Officer has given his prior written consent.

## 2.6 Dealings that are excluded from this policy

### (a) Conversion of securities, participation in dividend reinvestment plans etc

Subject to the insider trading provisions of the Corporations Act (see section 1), Directors and Key Management Personnel may, at any time:

- (i) acquire Traffic Technologies' ordinary shares by conversion of securities giving a right of conversion to ordinary shares (e.g. exercising options, reset preference shares or converting notes), but may not sell any of the shares received upon exercise of the options other than in accordance with this policy within a trading window;
- (ii) acquire Traffic Technologies securities under a bonus issue made to all holders of securities of the same class;
- (iii) acquire Traffic Technologies securities under a share purchase plan made to all holders of securities of the same class; or
- (iv) acquire Traffic Technologies securities under a Dividend Reinvestment Plan that is available to all holders of securities of the same class.

### (b) Employee equity plans

Subject to the insider trading provisions of the Corporations Act, you may at any time:

- (i) apply for or acquire Traffic Technologies securities under an employee equity plan; or
- (ii) exercise options acquired under an employee equity plan to acquire Traffic Technologies' ordinary shares (but you may not sell any of the shares received upon exercise of the options other than in accordance with this policy and the insider trading provisions (see section 1)).

### (c) Transfers to superannuation funds

Subject to the insider trading provisions of the Corporations Act (see section 1), Directors and Key Management Personnel may at any time transfer Traffic Technologies securities they hold, that are not subject to any dealing restrictions imposed outside of this policy (e.g. securities granted under a Traffic Technologies equity incentive scheme that are subject to restrictions on dealing), to a superannuation fund or other savings scheme in which they are a beneficiary.

### (d) Takeover offers

Subject to the insider trading provisions of the Corporations Act (see section 1), Directors and Key Management Personnel may dispose of their Traffic Technologies securities in relation to a takeover offer for Traffic Technologies, including giving an undertaking to accept, or the acceptance of a takeover offer.

(e) **Margin lending**

Directors and Key Management Personnel may only enter into a margin lending arrangement if they have complied with this policy (in particular, with regard to restrictions on transactions in products which operate to limit the economic risk of holding Traffic Technologies securities).

Subject to the above and subject to the insider trading provision of the Corporations Act (refer Section 1), it is not a breach of this policy if a Director or a member of the Key Management Personnel has entered into a margin lending arrangement in respect of Traffic Technologies securities and a disposal of such securities occurs as a result of a secured lender exercising its rights under that arrangement.

## **2.7 Unvested entitlements**

Despite anything in this policy, Directors and Key Management Personnel of Traffic Technologies and its subsidiaries must not engage in transactions or arrangements in risk limiting products which operate to limit the economic risk of unvested entitlements to Traffic Technologies securities (e.g. hedging arrangements in relation to unvested options or performance rights) or vested Traffic Technologies securities that are subject to a holding lock or other disposal restriction.

## **2.8 Specific transactions**

The Managing Director may, from time to time, specify that Directors or Key Management Personnel (or particular Directors and members of the Key Management Personnel) are restricted from dealing in the securities of other companies which Traffic Technologies or its subsidiaries may have a close relationship with, such as companies involved in material commercial discussions with Traffic Technologies or one of its subsidiaries.

## **3. Traffic Technologies' policy – Other employees (other than Directors and Key Management Personnel)**

### **3.1 Employee equity plans**

Subject to the insider trading provisions of the Corporations Act, employees of Traffic Technologies and its subsidiaries may at any time:

- (a) apply for or acquire Traffic Technologies securities under an employee equity plan; or
- (b) exercise options acquired under an employee equity plan to acquire Traffic Technologies' ordinary shares (but you may not sell any of the shares received upon exercise of the options other than in accordance with this policy and the insider trading provisions).

These dealings by employees are excluded from this policy.

### **3.2 Generally**

Employees (other than Directors and Key Management Personnel) may deal in Traffic Technologies securities at any time if they do not have any inside information at that time. However, such employees are strongly advised not to deal in Traffic Technologies securities during blackout periods and to limit dealing in Traffic Technologies securities to trading windows.

Employees (other than Directors and Key Management Personnel) may, as a consequence of their position or employment, come into possession of inside information as a result of working on a particular project or assisting on a particular matter (e.g. a proposed acquisition). Such employees may be notified by the Company Secretary that, for the duration of the project or matter, they are to be subject to restrictions on buying and selling Traffic Technologies securities as are applicable to Directors and Key Management Personnel (as set out in Section 2).

An employee who has any doubt or question in the application of this trading policy should contact the Company Secretary before dealing in Traffic Technologies securities.

## **4. Audit Charter**

### **4.1 General scope and authority**

The Audit Committee is a committee of the Board and is established in accordance with the authority provided in the constitution. The Board has resolved to establish this committee and to adopt these terms of reference to govern the proceedings and meetings of the Audit Committee.

The primary role of the Audit Committee is to focus on issues relevant to the integrity of the Company's financial reporting.

The Audit Committee will advise and assist the Board in the discharge of its responsibility to exercise due care, diligence and skill in relation to:

- (a) reporting of financial information to users of financial reports, in particular the quality and reliability of such information;
- (b) assessing the consistency of disclosures in the financial statements with other disclosures made by the Company to the financial markets, governmental and other public bodies;
- (c) reviewing the application of accounting policies;
- (d) financial management;
- (e) reviewing internal and external audit reports to ensure appropriate and prompt remedial action is taken by management where weaknesses in controls or procedures have been identified, and for internal audits (if undertaken by the Company):
  - (i) appointing and removing the head of the internal audit;
  - (ii) scoping the adequacy of the internal audit work plan; and
  - (iii) assessing the independence, objectivity and performance of the internal audit;
- (f) conduct of any investigation relating to financial matters, records or accounts, and reporting those matters to the Board; and
- (g) compliance with applicable laws, regulations, standards and best practice guidelines.

### **4.2 Composition**

The Audit Committee consists of a minimum of 3 independent directors of the Board. Executive directors are not permitted to be members of the Audit Committee. All members of the Audit Committee (including its chairperson) are appointed by the Board. The chairperson of the Audit Committee will be an independent director who is not the Chairperson of the Board. All members of the Audit Committee are to be financially literate with accounting and financial expertise and sufficient understanding of the industry in which the Company operates to be able to discharge their responsibilities. An appointment to the Audit Committee will automatically terminate on that member ceasing to be a non-executive director of the Company.

The secretary of the Audit Committee will be the Company Secretary.

### **4.3 Meetings**

The Audit Committee will meet as frequently as required but not less than twice a year. The Audit Committee may also meet at other times during the year to address specific issues referred by the Board and to review financial reports prior to presentation to the Board.

Any member of the Audit Committee may call a meeting of the Audit Committee.

A notice of meeting confirming the date, time, venue and agenda will be forwarded to each member of the Audit Committee in the week prior to the date of the meeting. The notice of meeting will include relevant supporting papers for the agenda items to be discussed.

The quorum for a meeting is 2 members or any greater number determined by the Audit Committee from time to time.

Other directors, executives and other parties may attend Audit Committee meetings but only at the invitation of the chairperson of the Audit Committee.

The Audit Committee may conduct meetings without all members being in the physical presence of one another provided that all Audit Committee members involved in the meeting are able to participate in discussion.

The chairperson of the Audit Committee, or his or her delegate, will report to the Board following each meeting.

If the chairperson of the Audit Committee is absent from a meeting and no acting chairperson has been appointed, the members of the Audit Committee present at the meeting have authority to choose 1 of their number to be chairperson for that particular meeting.

Minutes of proceedings and resolutions of the Audit Committee meetings will be kept by the secretary. Minutes will be distributed to all Audit Committee members after preliminary approval has been given by the Audit Committee chairperson.

At the end of the Company's reporting period, the number of times the Audit Committee met through the period and the individual attendances of the members of the Audit Committee will be included in the "Directors' Report" section of the Company's annual report.

### **4.4 Authority**

The Audit Committee has the authority to seek any information it requires to carry out its duties from any officer or employee of the Company or related parties and such officers or employees will be instructed by the Board to cooperate fully in the provision of such information.

The Audit Committee will maintain free and open communications with the Company's external auditors, internal auditors and management. The Audit Committee will periodically meet with the external auditors without representatives of management present to discuss the adequacy of the Company's disclosures and policies, and to satisfy itself regarding the external auditors' independence.

The Audit Committee also has authority at the Company's expense to consult any independent professional adviser it considers appropriate to assist it in meeting its responsibilities.

The Audit Committee discharges its responsibilities by making recommendations to the Board, however it does not have any executive powers to commit the Board or management to their implementation. The Audit Committee is not responsible for supervising the performance of executives and is not involved in day-to-day operations, management functions or decision making.

#### **4.5 Duties and responsibilities**

The Audit Committee's main responsibilities are as follows:

##### **(a) External Reporting**

- (i) Consider the appropriateness of the Company's accounting policies and principles and any changes, as well as the methods of applying them, ensuring they are in accordance with the stated financial reporting framework.
- (ii) Assess significant estimates and judgements in financial reports by making inquiries of management about the process used in making material estimates and judgments and then making inquiries of the internal and external auditors as to the basis of their conclusions and the reasonableness of management's estimates.
- (iii) Review management's processes for ensuring compliance with laws, regulations and other requirements (including the Australian Accounting Standards, the Corporations Act, the ASX Listing Rules and the ASX Market Rules) relating to the external reporting of financial and non-financial information.
- (iv) Assess information from internal and external auditors that affects the quality of financial reports (e.g. actual and potential material audit adjustments, financial report disclosures, non-compliance with the laws and regulations, internal control issues).
- (v) Ask the external auditor for an independent judgement about the appropriateness of accounting principles used and the clarity of the financial disclosure practices used or proposed to be used as put forward by management.
- (vi) Review documents and reports to regulators and make recommendations to the Board on their approval or amendment.
- (vii) Assess the management of non-financial information in documents (both public and internal) to ensure the information does not conflict inappropriately with the financial statements and other documents and assess internal control systems covering information releases that have the potential to adversely reflect on the Company's conduct.
- (viii) Recommend to the Board whether the financial and non-financial statements should be signed based on the Audit Committee's assessment of them.

- (ix) Require the Managing Director and the Chief Financial Officer (or each person who performs each of those roles) to provide a declaration in the form of a certification (**Declaration**) that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Declaration must be given before the Board approves the financial statements for the financial year.

**(b) External audit**

The Board and management need to ensure the statutory auditor is both independent and seen to be independent. The purpose of an independent statutory audit is to provide shareholders and investors with reliable and clear financial reports on which to base investment decisions.

The Audit Committee's external audit responsibilities include:

- (i) making recommendations to the Board on the appointment, remuneration and monitoring of the performance and independence of the external auditor;
- (ii) ensuring any suggestions by management that the auditor needs to be replaced or that the audit needs to be put out to tender are referred to and examined carefully by the Audit Committee with it reporting to the Board on its examination before any decision is made by the Board;
- (iii) reviewing the external auditor's fees and being satisfied that an effective, comprehensive and complete audit can be conducted for the set fee;
- (iv) at the start of each audit, agreeing on the terms of the engagement with the external auditor;
- (v) inviting the external auditor to attend Audit Committee meetings to, at least, review the audit plan, discuss audit results and consider the implications of the external audit findings for the control environment;
- (vi) together with the external auditor, reviewing the scope of the external audit (particularly the identified risk areas) and any additional agreed procedures on a regular and timely basis;
- (vii) enquiring of the auditor if there have been any significant disagreements with management irrespective of whether or not they have been resolved;
- (viii) monitoring and critiquing management's responsiveness to the external auditor's findings and recommendations;
- (ix) reviewing all representation letters signed by management and ensuring the information provided is complete and appropriate;
- (x) providing the opportunity for the Audit Committee members to meet with the external auditors without management personnel being present at least once a year;

- (xi) reviewing the external auditor's independence based on the external auditor's relationships and services with the Company and other organisations that may impair or appear to impair the external auditor's independence; and
- (xii) requesting the external auditor to attend the AGM of the Company to answer any audit related questions from shareholders.

**(c) Periodic corporate report**

The Audit Committee will review and verify the integrity and material accuracy of periodic corporate reports which are not audited or reviewed by an external auditor including the Company's:

- (i) annual director's reports;
- (ii) quarterly activity reports; and
- (iii) quarterly cash flow reports,

by interviewing contributors to each periodic corporate report and independently confirming the information presented in each report.

#### **4.6 Fees and expenses**

Audit Committee members are not entitled to receive any additional remuneration for their role as members of the Audit Committee. Directors' fees are set to include membership of any Board committees.

The reasonable expenses incurred by Audit Committee members in discharging their obligations and attending Audit Committee meetings will be reimbursed by the Company, consistent with Company policies which are established from time to time.

#### **4.7 Review of terms of reference**

The Audit Committee's terms of reference are to be reviewed at least annually by the Audit Committee to ensure they remain consistent with the Audit Committee's authority, objectives and responsibilities. At the end of the Company's reporting period, details of whether such a review has taken place will be included in the "Corporate Governance" section on the Company's website.

Any significant changes to the terms of reference are to be recommended by the Audit Committee to the Board for approval.

## **5. Risk Charter**

### **5.1 General scope and authority**

The Risk Committee is a committee of the Board and is established in accordance with the authority provided in the constitution. The Board has resolved to establish this committee and to adopt these terms of reference to govern the proceedings and meetings of the Risk Committee.

The primary role of the Risk Committee is to monitor and review the effectiveness of the Company's control environment in the areas of operational risk, legal and regulatory compliance.

The Risk Committee will advise and assist the Board in the discharge of its responsibility to exercise due care, diligence and skill in relation to:

- (a) evaluation of the Company's compliance and risk management structure and procedures, internal controls and ethical standards;
- (b) review of business policies and practices;
- (c) protection of the Company's assets; and
- (d) compliance with applicable laws, regulations, standards and best practice guidelines.

### **5.2 Composition**

The Risk Committee consists of a minimum of 3 independent directors of the Board. Executive directors are not permitted to be members of the Risk Committee. All members of the Risk Committee (including its chairperson) are appointed by the Board. The chairperson of the Risk Committee will be an independent director who is not the Chairperson of the Board. All members of the Risk Committee are to be financially literate with accounting and financial expertise and sufficient understanding of the industry in which the Company operates to be able to discharge their responsibilities. An appointment to the Risk Committee will automatically terminate on that member ceasing to be a non-executive director of the Company.

The secretary of the Risk Committee will be the Company Secretary.

### **5.3 Meetings**

The Risk Committee will meet as frequently as required but not less than twice a year. The Risk Committee may also meet at other times during the year to address specific issues referred by the Board and to review financial reports prior to presentation to the Board.

Any member of the Risk Committee may call a meeting of the Risk Committee.

A notice of meeting confirming the date, time, venue and agenda will be forwarded to each member of the Risk Committee in the week prior to the date of the meeting. The notice of meeting will include relevant supporting papers for the agenda items to be discussed.

The quorum for a meeting is 2 members or any greater number determined by the Risk Committee from time to time.

Other directors, executives and other parties may attend Risk Committee meetings but only at the invitation of the chairperson of the Risk Committee.

The Risk Committee may conduct meetings without all members being in the physical presence of one another provided that all Risk Committee members involved in the meeting are able to participate in discussion.

The chairperson of the Risk Committee, or his or her delegate, will report to the Board following each meeting.

If the chairperson of the Risk Committee is absent from a meeting and no acting chairperson has been appointed, the members of the Risk Committee present at the meeting have authority to choose 1 of their number to be chairperson for that particular meeting.

Minutes of proceedings and resolutions of the Risk Committee meetings will be kept by the secretary. Minutes will be distributed to all Risk Committee members after preliminary approval has been given by the Risk Committee chairperson.

At the end of the Company's reporting period, the number of times the Risk Committee met through the period and the individual attendances of the members of the Risk Committee will be included in the "Directors' Report" section of the Company's annual report.

#### **5.4 Authority**

The Risk Committee has the authority to seek any information it requires to carry out its duties from any officer or employee of the Company or related parties and such officers or employees will be instructed by the Board to cooperate fully in the provision of such information.

The Risk Committee will maintain free and open communications with the Company's management. The Risk Committee will have the right to obtain information, interview management and internal and external auditors (with or without management present).

The Risk Committee also has authority at the Company's expense to consult any independent professional adviser it considers appropriate to assist it in meeting its responsibilities.

The Risk Committee discharges its responsibilities by making recommendations to the Board, however it does not have any executive powers to commit the Board or management to their implementation. The Risk Committee is not responsible for supervising the performance of executives and is not involved in day-to-day operations, management functions or decision making.

#### **5.5 Duties and responsibilities**

The Risk Committee's main responsibilities are as follows:

- (i) Review management's processes for ensuring compliance with laws, regulations and other requirements (including the Corporations Act, the ASX Listing Rules and the ASX Market Rules).

- (ii) Ensure that a comprehensive process is established by management to capture issues for the purposes of continuous reporting to ASX.
- (iii) Review the completeness and accuracy of the reporting of the Company's main corporate governance practices as required under the ASX Listing Rules or the rules of any other stock exchange where the securities of the Company are quoted.

**(b) Related party transactions**

Review and monitor the propriety of related-party transactions.

**(c) Internal control and risk management**

An internal officer of the Company is to be appointed and responsible for reporting to the Risk Committee about:

- (i) Assessing the internal processes for determining and managing key risk areas, particularly:
  - (A) monitoring any non-compliance with laws, regulations, standards and best practice guidelines, including environmental and industrial relations laws;
  - (B) important judgements and accounting estimates;
  - (C) contractual risks and indemnities;
  - (D) litigation and claims;
  - (E) insurance program, having regard to the Company's business and the insurable risks associated with its business;
  - (F) fraud and theft; and
  - (G) relevant business risks other than those that are dealt with by other specific Board committees.
- (ii) Ensuring the Company has an effective risk management system.
- (iii) Receiving from management reports on all suspected and actual frauds, thefts and breaches of laws.
- (iv) Addressing the effectiveness of the internal control system with management and the internal and external auditors.
- (v) Evaluating the process for assessing and continuously improving internal controls, particularly those related to areas of significant risk.
- (vi) Assessing whether management has controls in place for unusual types of transactions including any potential transactions that may carry more than an acceptable degree of risk.
- (vii) Assessing the effectiveness of and compliance with the Company's Code of Conduct.

- (viii) Meeting periodically with key management, internal and external auditors and compliance staff to understand and discuss the control environment.
- (ix) Ensuring the Managing Director and Chief Financial Officer each provide a written statement to the Board that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

**(d) Internal audit**

An internal audit function provides an independent assessment of risk and compliance with internal controls. The Risk Committee, having due regard for the current size and complexity of the Company does not believe an internal auditor is warranted at this point.

If the Company were to have an internal audit function, the results of internal audits would be reported to senior management and to the Risk Committee on a regular basis. In addition, processes would be put in place to ensure that appropriate follow up actions are taken in relation to significant audit findings and identified areas of risk.

The Risk Committee's internal audit responsibilities would include:

- (i) reviewing the internal auditor's mission, charter and resourcing (including qualifications, skills, experience, funding and equipment);
- (ii) reviewing and approving the scope of the internal audit plan and work program;
- (iii) monitoring the progress of the internal audit plan and work program and considering the implications of internal audit findings for the control environment;
- (iv) monitoring and critiquing management's responsiveness to an internal audit's findings and recommendations;
- (v) evaluating the process which the Company has in place for monitoring and assessing the effectiveness of the internal auditor;
- (vi) overseeing the co-ordination of the internal auditor with the external auditor; and
- (vii) providing the opportunity for Risk Committee members to meet with the internal auditors without management personnel being present at least once a year.

## **5.6 Fees and expenses**

Risk Committee members are not entitled to receive any additional remuneration for their role as members of the Risk Committee. Directors' fees are set to include membership of any Board committees.

The reasonable expenses incurred by Risk Committee members in discharging their obligations and attending Risk Committee meetings will be reimbursed by the Company, consistent with Company policies which are established from time to time.

## **5.7 Review of terms of reference**

The Risk Committee's terms of reference (the Company's risk management framework) are to be reviewed at least annually by the Risk Committee to ensure they remain consistent with the Risk Committee's authority, objectives and responsibilities and also adequately deal with current and emerging risks such as conduct risk (e.g. the risk of inappropriate, unethical or unlawful behaviour on the part of the Company's management or employees), digital disruption, cyber-security, privacy and data breaches, sustainability and climate change.

At the end of the Company's reporting period, details of whether such a review has taken place will be included in the "Corporate Governance" section on the Company's website.

Any significant changes to the terms of reference are to be recommended by the Risk Committee to the Board for approval.

## 6. Nomination and Remuneration Committee Charter

### 6.1 General scope and authority

The Nomination and Remuneration Committee proposes candidates for appointment as director to the Board, reviews the fees payable to both executive and non-executive directors and reviews and advises the Board in relation to succession planning.

The Nomination and Remuneration Committee is a committee of the Board and is established in accordance with the authority provided in the Company's constitution. The Board has resolved to establish this committee and to adopt these terms of reference to govern the proceedings and meetings of the Nomination and Remuneration Committee.

The Board is responsible to shareholders for ensuring the Company:

- (a) has coherent remuneration policies and practices which are observed and which enable it to attract and retain executives and directors who will create value for shareholders;
- (b) fairly and responsibly rewards executives having regard to the performance of the Company, the performance of the executive and the general pay environment;
- (c) provides disclosure in relation to the Company's remuneration policies to enable investors to understand the costs and benefits of those policies and the link between remuneration paid to directors and key executives and corporate performance; and
- (d) complies with the provisions of the ASX Listing Rules and the Corporations Act.

The primary purpose of the Nomination and Remuneration Committee is to support and advise the Board in fulfilling its responsibilities to shareholders in ensuring the Board is appropriately remunerated, structured and comprised of individuals who are best able to discharge the responsibilities of directors by:

- (a) assessing the size, composition, diversity and skills required by the Board to enable it to fulfil its responsibilities to shareholders, having regard to the Company's current and proposed scope of activities;
- (b) assessing the extent to which the required knowledge, experience and skills are represented on the Board by updating and disclosing a skills matrix;
- (c) establishing processes for the identification of suitable candidates for appointment to the Board;
- (d) overseeing succession planning for the Board and Managing Director;
- (e) establishing processes to review the performance of individual directors and the Board as a whole;
- (f) assessing the terms of appointment and remuneration arrangements for non-executive directors; and
- (g) assessing and reporting to the Board in relation to:
  - (i) executive remuneration policy;

- (ii) the remuneration of executive directors;
- (iii) the remuneration of persons reporting directly to the Managing Director, and as appropriate, other executive directors;
- (iv) remuneration by gender;
- (v) whether there is any gender or other inappropriate bias in remuneration for directors, senior executives, officers or other employees;
- (vi) the Company's recruitment, retention and termination policies and procedures;
- (vii) superannuation arrangements; and
- (viii) all equity-based plans.

## **6.2 Composition**

The Nomination and Remuneration Committee consists of a minimum of 3 directors of the Board. To reduce the potential for conflict of interest, all of the Nomination and Remuneration Committee members will be independent directors. The chairperson of the Nomination and Remuneration Committee will be an independent director.

All members of the Nomination and Remuneration Committee (including its chairperson) are appointed by the Board. An appointment to the Nomination and Remuneration Committee will automatically terminate on that member ceasing to be a director of the Board.

The Company Secretary will act as secretary of the Nomination and Remuneration Committee.

## **6.3 Meetings**

The Nomination and Remuneration Committee will meet as frequently as required.

Any member of the Nomination and Remuneration Committee or the secretary may call a meeting of the Nomination and Remuneration Committee.

A notice of meeting confirming the date, time, venue and agenda will be forwarded to each member of the Nomination and Remuneration Committee in the week prior to the date of the meeting. The notice of meeting will include relevant supporting papers for the agenda items to be discussed.

The quorum for a meeting is 2 members or any greater number determined by the Nomination and Remuneration Committee from time to time.

Other directors, executives or parties external to the Company may attend Nomination and Remuneration Committee meetings but only at the invitation of the chairperson of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee may conduct meetings without all Nomination and Remuneration Committee members being in the physical presence of one another provided all members involved in the meeting are able to participate in discussion.

The chairperson of the Nomination and Remuneration Committee, or his or her delegate, will report to the Board following each meeting.

If the chairperson of the Nomination and Remuneration Committee is absent from a meeting and no acting chairperson has been appointed, the members of the Nomination and Remuneration Committee present at the meeting have authority to choose one of their number to be chairperson for that particular meeting.

Minutes of proceedings and resolutions of Nomination and Remuneration Committee meetings will be kept by the secretary. Minutes will be distributed to all Nomination and Remuneration Committee members after preliminary approval has been given by the Nomination and Remuneration Committee chairperson.

For clarity, and to avoid any conflict of interests, where the Nomination and Remuneration Committee includes an executive director, that director must not be involved in any determinations regarding his or her remuneration and must be conscious of any potential or perceived conflict of interest and refrain from being involved in determinations in those instances.

At the end of the Company's reporting period, the number of times the Nomination and Remuneration Committee met through the period and the individual attendances of the members of the Nomination and Remuneration Committee will be included in the "Directors' Report" section of the Company's annual report.

#### **6.4 Authority**

The Nomination and Remuneration Committee has the authority to seek any information it requires to carry out its duties from any officer or employee of any entity of the Company or related parties and such officers or employees will be instructed by the Board of the company employing them to cooperate fully in the provision of such information.

The Nomination and Remuneration Committee also has authority at the Company's expense to consult any independent professional adviser it considers appropriate to assist it in meeting its responsibilities.

The Nomination and Remuneration Committee discharges its responsibilities by making recommendations to the Board, but it does not have any executive powers to commit the Board or management to their implementation. The Nomination and Remuneration Committee is not responsible for supervising the performance of executives and is not involved in day-to-day operations, management functions or decision making.

#### **6.5 Duties and responsibilities**

##### **(a) Board composition**

The Nomination and Remuneration Committee will:

- (i) devise the criteria for Board membership and periodically assess the size and membership of the Board and the skills required to competently discharge the Board's duties, having regard to the strategic direction of the Company, and report the outcome of that assessment to the Board;
- (ii) make recommendations to the Chairperson of the Board on means by which skill levels of existing directors can be enhanced;

- (iii) as and when it considers appropriate, but in any event on each occasion when an existing director retires, assess the mix of skills, experience, expertise and diversity represented on the Board by the directors and determine whether that mix meets the required director competencies as identified;
- (iv) inform the Board of those directors who are retiring in accordance with the provisions of the constitution and make recommendations to the Board as to whether the Board should support the re-nomination of the retiring director(s). In making such recommendations, the Nomination and Remuneration Committee will review (by whatever means it considers appropriate) each retiring director's performance during his or her tenure on the Board;
- (v) having regard to the skills required and the skills represented, implement a process for the identification of suitable candidates for appointment to the Board. In determining such a process, the Nomination and Remuneration Committee will ordinarily ensure that a search is undertaken by an appropriately qualified independent third party acting on a brief prepared by the Nomination and Remuneration Committee which identifies the skills sought;
- (vi) make recommendations to the Board on candidates it considers appropriate for appointment;
- (vii) ensure an effective induction process is in place for new directors and regularly review this process for its effectiveness;
- (viii) regularly review whether the directors as a group have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and on Board committees effectively and, where any gaps are identified, consider what training or development could be undertaken to fill those gaps;
- (ix) review fees payable to non-executive directors of the Board; and
- (x) review Board and Managing Director succession planning and advise the Board of any progress.

A member of the Nomination and Remuneration Committee will not participate in the review of his or her own performance.

**(b) Non-executive remuneration policy**

Remuneration of non-executive directors is determined in maximum aggregate by the shareholders, and is allocated by the Board on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will take independent advice with respect to directors' fees on an as needs basis.

**(c) Executive remuneration policy**

The Nomination and Remuneration Committee will:

- (i) review and report on the Company's policy for determining executive remuneration, and any amendments to that policy proposed from time to time;
- (ii) review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs; and
- (iii) oversee the implementation of this remuneration policy within the Company.

**(d) Executive directors and senior management**

The Nomination and Remuneration Committee will:

- (i) consider and make recommendations to the Board on the entire specific remuneration for each executive director (including base pay, incentive payments, equity awards, retirement rights, service contracts) having regard to the executive remuneration policy. The Nomination and Remuneration Committee will need to determine whether any shareholder approvals are required; and
- (ii) review and report on the proposed remuneration (including incentive awards, equity awards and service contracts) of persons reporting directly to the Managing Director, and as appropriate, other executive directors.

**(e) Executive incentive plans**

The Nomination and Remuneration Committee will:

- (i) review and report on the design of all executive incentive plans; and
- (ii) review and report on the total proposed payments from each executive incentive plan.

**(f) Equity Based Plans**

The Nomination and Remuneration Committee will:

- (i) review and report on the design of all equity-based plans;
- (ii) ensure payment of equity-based executive remuneration is made in accordance with thresholds approved by shareholders;
- (iii) continually review all plans under review in light of legislative, regulatory and market developments;
- (iv) for each equity-based plan, recommend to the Board whether awards should be made under that plan;
- (v) review and recommend proposed awards under each plan;
- (vi) in addition to considering awards to executive directors and direct reports to the Managing Director, review and recommend proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Nomination and Remuneration Committee; and

- (vii) review and make recommendations about performance criteria for each equity-based plan.

**(g) Approvals**

The Nomination and Remuneration Committee must, if requested by the Board, review and report to the Board on proposals concerning:

- (i) changes to the remuneration or contract terms of executive directors and persons reporting directly to the Managing Director and, as appropriate, other executive directors;
- (ii) the design of new, or amendments to current, equity-based plans or executive cash-based incentive plans;
- (iii) the total level of remuneration proposed from equity-based plans or executive cash-based incentive plans; and
- (iv) termination payments to the Managing Director, other executive directors and persons reporting directly to the Managing Director and, as appropriate, other executive directors. Termination payments to other departing executives should be reported to the Nomination and Remuneration Committee at its next meeting.

**6.6 Fees and expenses**

Nomination and Remuneration Committee members are not entitled to receive any additional remuneration for their role as members of the Nomination and Remuneration Committee. Directors' fees are set to include membership of any Board committees.

The reasonable expenses incurred by the Nomination and Remuneration Committee members in discharging their obligations and attending Nomination and Remuneration Committee meetings will be reimbursed by the Company, consistent with Company policies which are established from time to time.

**6.7 Review of terms of reference**

The Nomination and Remuneration Committee will be responsible for regularly reviewing the Nomination and Remuneration Committee Charter to ensure it remain consistent with the Nomination and Remuneration Committee's authority, objectives and responsibilities. Any significant changes to the terms of reference are to be recommended by the Nomination and Remuneration Committee to the Board for approval.

## **7. Continuous Disclosure Charter**

### **7.1 Background**

As part of our overall policy of open disclosure, the Company ensures all material communications regarding its operations are made available to all interested stakeholders in a timely fashion. To ensure information about or concerning the Company given to the public is timely, accurate, consistent, appropriate and conforms with Company policy, no public statement may be made on any matter concerning the Company's work, employees or customers except in accordance with this policy.

The ASX Listing Rules and the Corporations Act require listed companies to immediately advise ASX of any material information which is price sensitive (unless one of the exceptions applies). The main ASX disclosure requirement is set out in Listing Rule 3.1 (as described in 7.6 below), which essentially requires the Company to immediately notify ASX of information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of securities of the Company (unless an exemption under ASX Listing Rule 3.1A applies).

Materially price sensitive information must be immediately notified to ASX unless it falls within the scope of the confidentiality exemption contained in Listing Rule 3.1A.2.

### **7.2 Board policy on disclosure**

The Board is aware of its continuous disclosure obligations in respect of material information, and embraces the principle of providing access to that information to the widest audience through market announcements.

To ensure these principles are appropriately actioned, the Board has nominated the Company Secretary as having responsibility for:

- (a) ensuring the Company complies with continuous disclosure requirements;
- (b) providing the Board with copies of all material market announcements promptly after they have been made;
- (c) overseeing and co-ordinating the disclosure of information to ASX, analysts, brokers, shareholders, the media and the public;
- (d) educating directors and staff on the Company's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure.

To safeguard against inadvertent disclosure of price sensitive information, the Board has agreed to limit the number of directors and employees authorised to speak on the Company's behalf. In order of precedence, the following combinations of officers have authority to speak on behalf of the Company without the prior approval of the Board:

- (a) the Chairperson or Managing Director, separately; then
- (b) the Chairperson and a non-executive director, jointly; then

- (c) any 2 non-executive directors and the Managing Director, jointly (by majority); and then
- (d) in extreme circumstances, any 2 directors, jointly.

These officers are also authorised to clarify information the Company has released publicly through ASX, but must avoid commenting on other price sensitive matters.

The Company has determined the Company Secretary must be made aware of any information disclosures in advance, including information to be presented at private briefings. This will minimise the risk of breaching the continuous disclosure requirements.

The Company Secretary is responsible for:

- (a) ensuring the Chairperson and the Managing Director are aware of all sensitive information that may be required by the ASX Listing Rules and the law to be publicly released through ASX before disclosing it to any person, including analysts and others outside the Company;
- (b) ensuring that where the Company gives a new and substantive investor or analyst presentation, such a presentation is released on the ASX Market Announcements Platform ahead of that presentation;
- (c) ensuring all information released through ASX is promptly made available to its bankers and other parties to whom it has a similar reporting responsibility;
- (d) the further dissemination of information, after it has been released through ASX, to investors and other interested parties;
- (e) posting such information on the Company's website immediately after ASX confirms it has received such announcements;
- (f) reviewing all briefings and discussions with media representatives, analysts and major shareholders, to check whether any price sensitive information has been inadvertently disclosed. If so, to immediately announce the information through ASX.

Responses to enquiries from market analysts are to be confined to errors in factual information and underlying assumptions. Earnings expectations are to be managed by using the continuous disclosure regime and any change to expectations is to be made by ASX announcement before commenting to anyone outside the Company.

### **7.3 Materiality Guidelines**

In determining whether information is material and, therefore, should be reported, the Board will determine quantitative material guidelines having regard to the then current financial position and performance of the Company as well as qualitative material guidelines.

Whether a matter is material needs to be considered from both a quantitative viewpoint (e.g. a claim for more than a specified amount) and a qualitative viewpoint (e.g. if it could adversely affect the reputation of the Company). Matters may be material having regard to the materiality guidelines and should be immediately reported to the Company Secretary.

If there is any doubt as to whether a matter is material then the matter should nevertheless immediately be notified to the Company Secretary for further consideration.

#### **7.4 Dealing with analysts**

The Company must ensure that it does not give analysts any material price sensitive non-public information at any time, for example, during analysts' briefings, answering analysts questions or reviewing draft analyst research reports.

Where possible, the Company will arrange for advance notice of significant group briefings and will use reasonable endeavours to make them as widely accessible as possible (including through the use of webcasting, or any other mass communication mechanism as may be practical).

When responding to enquiries or correcting any errors of interpretation that analysts make concerning already publicly available information, the Company must be careful not to inadvertently provide analysts with material which is not publicly available information (e.g. inadvertently releasing financial information by correcting an analyst's profit forecasts).

In order to increase transparency and confidence in the Company's disclosure practices, all information given to analysts at a briefing (such as presentation slides), must first be given to the Company Secretary for immediate release to the ASX and posted on the Company's website. The information must always be released to ASX first. Slides from other public speeches, such as at an industry seminar, should also be made available in this way.

Ideally, all dealings with analysts should be carefully monitored by the Company to ensure that material non-public information was not inadvertently disclosed, and if it was, to immediately disclose that information to ASX. Monitoring can occur by audio recording of the dealing, taking detailed notes of the conversations or having a person in the room where the sole role is to observe proceedings and lookout for any material non-public disclosures. The Company will maintain (for internal purposes) a summary record of issues discussed at group or one-to-one briefings with investors and analysts, including lists of who was present as well as the time and place of the meeting.

#### **7.5 Market speculation and rumours**

In general, the Company does not respond to market speculation and rumours except where:

- (a) the speculation or rumours mean that the subject matter is no longer confidential and therefore the exception to disclosure set out in Listing Rule 3.1.2 no longer applies;
- (b) ASX formally requests disclosure by the Company on the matter; or
- (c) the Board considers that it is appropriate to make a disclosure in the circumstances.

Only authorised Company spokespersons may make any statement on behalf of the Company in relation to market rumours or speculation. If employees or officers become aware of any market speculation or rumours which the Company Secretary may not be aware of, these should be reported to the Company Secretary.

## 7.6 Requirements of Listing Rule 3.1

The Company will comply with Listing Rule 3.1. The requirements of Listing Rule 3.1 are as follows:

*"3.1 Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell the ASX that information.*

*3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

*3.1A.1 One or more of the following 5 situations applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed."*

Pursuant to Listing Rule 19.12, the Company will be "aware" of information if a director or other officer has, or ought reasonably to have, come into possession of that information in the course of their role with the Company. Once the Company becomes aware of information that it assesses to be material, the Board will assess if the exception under ASX Listing Rule 3.1A applies.

The Company Secretary is responsible for notifying the ASX of any material information that does not meet the exception under ASX Listing Rule 3.1A.

Note there is also an obligation under Listing Rule 3.1B to correct or prevent a false market in the Company's shares if the ASX asks for information to be publicly released.

## 7.7 Shareholder meetings and communications strategy

The Board acknowledges the need for effective two-way communications with shareholders. To encourage participation with shareholders at shareholder meetings, the Board has adopted the following strategy:

- (a) shareholder meetings are structured to provide effective communication to shareholders and allow reasonable opportunity for informed shareholder participation;
- (b) the external auditor attends the AGM and is available to respond to shareholder questions in relation to any audit related questions;

- (c) the Company's annual report is available to be sent to each shareholder (at the shareholder's option);
- (d) in addition to the annual report, the Company issues a report with the release of the half-year and full-year financial results, which is sent to all shareholders;
- (e) the Company posts on its website all relevant announcements made to the market (including information used for analyst briefings and press releases) after they have been released to ASX;
- (f) the Company posts on its website and keep posted on its website for a reasonable period all of its relevant corporate governance information, including weblinks to the following information:
  - (i) an overview of the Company's current business;
  - (ii) a description of how the Company is structured;
  - (iii) a summary of the Company's history;
  - (iv) a key events calendar showing the expected dates in the forthcoming year for:
    - (A) results presentations and other significant events for investors and analysts to ensure equality of information among investors;
    - (B) the AGM;
    - (C) books closing dates for determining entitlements to dividends or distributions; and
    - (D) ex-dividend and payment dates for dividends or distributions;
  - (v) once they are known, the time, venue and other relevant details for results, presentations and the AGM;
  - (vi) a description of the difference classes of securities and the rights attached to them;
  - (vii) historical information about the market prices of the Company's securities;
  - (viii) a description of the Company's dividend or distribution policy;
  - (ix) information about the Company's dividend or distribution history;
  - (x) copies of media releases the Company makes;
  - (xi) contact details for enquiries from security holders, analysts or the media;
  - (xii) contact details for its share registry;
  - (xiii) links to download key security holder forms, such as transfer and transmission forms, dividend or distribution reinvestment plan;

- (xiv) the names, photographs and brief biographical information for each of its directors and senior executives;
  - (xv) its constitution, its Board charter and the charters of each of its Board committees;
  - (xvi) the corporate governance policies and any other relevant corporate governance materials;
  - (xvii) copies of its annual reports and financial statements;
  - (xviii) copies of its announcements to ASX;
  - (xix) copies of notices of meetings of security holders and any accompanying documents;
  - (xx) if it keeps them, webcasts and/or transcripts of meetings of security holders and investor or analyst presentations and copies of any documents tabled or otherwise made available at those meetings;
  - (xxi) if it keeps them, webcasts and/or transcripts of investor or analyst presentations and copies of any materials distributed at those presentations;
- (g) the Company will disclose on its website whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages or intends to manage those risks, especially where those risks could affect the Company's achievement of its financial performance or outcomes disclosed;
- (h) where possible, the Company will disclose on its website whether it has any material exposure to climate change risk, and if it does, how it manages or intends to manage those risks, especially where those risks could affect the Company's achievement of its financial performance or outcomes disclosed;
- (i) where possible, the Company will post advance notification of significant group briefings (e.g. results announcements) through the Company's website;
- (j) general shareholder questions may be posed to the Company or its share registry via email communication (please refer to the Company's website) or by written or telephone correspondence to the Company Secretary or its share registry as applicable; and
- (k) the Company will provide shareholders with the option to receive communications from it, or its share registry, electronically.

## **7.8 Voting at Shareholder Meetings**

The Board acknowledges the need to ensure the true will of security holders attending and voting at a meeting, whether they attend in person, electronically, or by proxy or other representative.

When calling a vote at a meeting of security holders, all substantive resolutions (e.g. voting for a new Board member) must be decided by a poll rather than a show of hands.

## **7.9 Review of the Continuous Disclosure Charter**

The Board is responsible for regularly reviewing the Continuous Disclosure Charter and, having regard to the changing circumstances of the Company, making appropriate amendments. The Board will provide all affected persons with written notice of changes made to this charter. If any employee or officer has any comments or views concerning the operation or effectiveness of the programme, they should be communicated to the Company Secretary.

## **8. Corporate Governance Committee Charter**

### **8.1 Composition**

The Corporate governance Committee (“**Committee**”) will comprise no less than 2 directors of the Company, including one non-executive director.

The chairman of the Committee will be appointed by the Board.

### **8.2 Authority**

The Committee:

- (a) has the authority of the Board to investigate any aspect, function, or activity of the Company relating to corporate governance of the company and the consolidated entity; and
- (b) is empowered to retain persons having particular skills and expertise to assist the Committee in fulfilling its responsibilities.

### **8.3 Meetings**

The Committee is to meet at least once annually to enable a timely review of corporate governance packages and policies.

### **8.4 Secretary**

The secretary of the Committee will be the Company Secretary.

### **8.5 The Committee’s Duties**

The Committee is required to review and make recommendations to the Board regarding:

- (a) compliance with best practice corporate governance requirements, including compliance with the Australian Securities Exchange’s Corporate Governance Council’s “Principles of Good Corporate Governance and Best Practice Recommendations”;
- (b) the general corporate governance policies and practices for the Company;

In addition, it is the responsibility of the Committee to:

- (c) report to the Board, within a reasonable time of each meeting of the Committee, on the findings of the Committee; and
- (d) recommend to the Board any changes in the duties of the Committee.

### **8.6 Support**

The Company must provide the Committee with:

- (a) sufficient resources to investigate any matter within its area of responsibility;
- (b) full access to information and staff of the Company;

- (c) the right to obtain external professional advice at the expense of the Company.

## **8.7 Minutes**

Minutes of each meeting are required to be prepared and sent to each Committee and Board member.

## **8.8 Review**

The Corporate Governance Committee will review the corporate governance procedures of the Company and, on a regular basis, consider:

- (a) external trends and developments in relation to corporate governance issues;
- (b) the position which the Company should take in respect of those issues;
- (c) the adequacy of the Company's corporate governance policies and practices; and
- (d) the Company's communications with respect to corporate governance issues.

## 9. Code of Conduct and other supplementary policies

### 9.1 Code of Conduct

The Board has adopted the following Code of Conduct to articulate the standards of behaviour expected of the directors, senior executives, Key Management Personnel (**KMP**), officers and employees of the Company (**Personnel**).

In addition, the Board has adopted the measures outlined in section 9.4 in order to prevent corrupt or unethical conduct and to provide guidance about acceptable forms of entertainment, corporate hospitality, gifts and political donations.

The Company recognises that the behaviour of its Personnel reflects on the Company's reputation and standing in the community and with security holders. This Code of Conduct will enable the Company to improve, preserve and protect a lawful, ethical and responsible workplace culture and most effectively achieve the values and corporate goals of the Company.

Personnel are expected to perform their duties in a professional manner and act with the utmost integrity, objectivity and in accordance with appropriate ethical standards in all dealings with each other, the Company, customers, suppliers and the community, striving at all times to enhance the reputation and performance of the Company. All Personnel are required to abide by laws and regulations, to respect confidentiality and the proper handling of information.

The Company's Code of Conduct consists of the following principles:

- (a) The Company will conduct its business operations with full regard to and compliance with all legal obligations of the Company.
- (b) The Company's Personnel, contractors and agents:
  - (i) will strive to the utmost of their abilities to deliver quality services to meet the needs of and to treat all those who interact with the Company with respect, courtesy and a caring attitude toward their business requirements;
  - (ii) will present themselves in a fit and tidy condition for work and be fully equipped to perform their work safely and competently;
  - (iii) will, when working for or with customers, suppliers or any person who interacts with the businesses of the Company, adhere to all workplace and occupational health and safety requirements, work instructions and directives and will refrain from any irresponsible, negligent or unsafe actions or work;
  - (iv) are expected to work in a supportive and cooperative manner, and the Company will not condone any form of harassment of fellow workers, customers, suppliers or any person who interacts with the businesses of the Company. Where possible, all cases of harassment will be promptly resolved through counselling and conciliation processes;
  - (v) will not knowingly reveal confidential information, trade secrets or information concerning intellectual property or practices, which could be injurious to customers or the Company's own business interests.

- (vi) will act in accordance with the Company's values and corporate goals;
  - (vii) will act in the best interests of the Company;
  - (viii) will act honestly, ethically, responsibly and with high standards of personal integrity;
  - (ix) will comply with all laws and regulations that are applicable to the Company and its operations;
  - (x) will treat fellow colleagues with respect and not engage in bullying, harassment or discrimination;
  - (xi) will disclose and deal appropriately with any conflicts between their personal interests and their duties as a director, senior executive, KMP, officer or employee of the Company;
  - (xii) will not take advantage of the property or information of the Company or its customers for personal gain or to cause detriment to the Company or its customers;
  - (xiii) will not take advantage of their position or the opportunities arising from their position for personal gain; and
  - (xiv) will report any material breaches of this Code of Conduct to the Board.
- (c) The Company encourages the reporting of unlawful or unethical behaviour by its directors, employees, contractors and agents and will actively promote ethical behaviour and protection for those who report violations in good faith.
  - (d) The Company encourages individuals to join appropriate organisations and associations that can effectively represent their work interests.
  - (e) The Company will communicate this Code of Conduct to all its employees, contractors and agents.

## 9.2 Standards of Conduct

The Company has established the following Standards of Conduct within the principles of its Code of Conduct, with which it expects all employees to comply.

### (a) Private work

Subject to the Company's approval, employees may engage in work unrelated to the Company's activities in their own time. However, such work must not interfere with or affect the efficiency of the performance of the employee's normal Company duties.

Employees must not carry out any work or activity that draws on the resources of the Company or that has any association with the Company for private profit or material gain. Employees may be dismissed for undertaking such action.

Acceptance of paid employment during periods of recreation, sick or long service leave is not permitted and employees may be dismissed for breach of this requirement.

**(b) Defence reserves and civic duties**

The Company recognises employees with "defence reserve" status may be required to participate in exercises on an annual basis or to travel overseas to fulfil defence obligations. Paid or unpaid leave to attend to such commitments may be granted after considering each application, which will be determined by the Chairperson.

Paid or unpaid leave may be available for some recognised civic duties such as local government appointments, emergency services and similar volunteer work. Each case will be determined on its merits by the employee's supervisor.

**(c) Leave policies**

The Company has established a number of policies which address employees' entitlements in relation to annual leave, personal/carer's leave, maternity/paternity leave, bereavement/compassionate leave, jury service, leave without pay, long service leave and public holidays.

**(d) Confidential work and Company property**

Confidentiality must be strictly observed and confidential information must not be disclosed unless it is appropriate in the normal course of an employee's duties. Any unauthorised disclosure of confidential information will result in disciplinary action. Employees are prohibited from removing Company documents or information (in whatever form) from Company premises or vehicles without authority. All Company property must be returned to the Company on an employee ceasing employment with the Company.

**(e) Respect and care for the property of others**

All employees must demonstrate respect and consideration for the property and belongings of others (including the Company, a colleague, the customer or the general public). Employees must not damage, tamper with, remove or steal property or belongings which are not their own. Any employees proven to have done so will be subject to the Company's disciplinary process, which may result in the employee's dismissal or criminal and civil action being taken against him or her or both.

### **9.3 Conflict of interest**

All Personnel must avoid any circumstance which may lead to a conflict of interest between their or their family's personal interests or activities and the interests or activities of the Company.

All Personnel must declare any such circumstances so that either proper approval to continue those interests or activities can be given or the conflict may be avoided.

Such matters may include:

- (a) Personnel or their families or both benefiting from a business transaction that rightfully should be made available to the Company;
- (b) personal transactions, situations or involvement in which personal interests of all Personnel or their family's or both actually conflict or have the appearance of conflicting with those of the Company or its related parties (e.g. interests in companies in competition with the Company);
- (c) engaging in other employment or activity that prevents or restricts them from performing to their best ability;
- (d) Company information of a confidential nature being used or disclosed without proper authorisation; and
- (e) business actions which have the potential to embarrass, harm or cause reputational damage to an employee or the Company.

#### 9.4 Anti-Bribery and Corruption

The offering of bribes or any other improper payment or benefit to public officials is a serious criminal offence and can damage the reputation and community standing of the Company.

The Company conducts business in an honest and ethical manner and takes a zero-tolerance approach to bribery and corruption.

The Company expects its Personnel, along with its distributors and representatives (including agents, consultants and contractors) (together, **Business Partners**) to maintain the highest standards of integrity and ethical business practice.

Many countries have laws which prohibit benefits being provided to government officials or officers with the purpose of influencing them to carry out their duties in a particular way. The Company is committed to complying with all applicable laws and standards.

Anti-bribery and corruption laws may have extra-territorial reach and many jurisdictions in which the Company operates have equivalent or similar laws, to which all Personnel and Business Partners must comply. In particular, Australian anti-bribery and corruption laws may apply to the conduct of the Company, its Personnel and Business Partners regardless of where it occurs.

This section 9.4 outlines what constitutes a bribe and who is considered to be a public official, along with the process and legal protections that are available when reporting a breach of this Code of Conduct and the applicable laws.

Appropriate action will be taken in respect of any Personnel who breach this Code of Conduct. Breaches by Business Partners will be dealt with in accordance with the terms of their engagement or appointment.

##### (a) Definitions

In this section, the following definitions apply:

**Bribe** means money or any other benefit, including but not limited to cash, travel, gifts, entertainment, secret commissions, employment and directed charitable donations which are provided in order to influence a person to improperly exercise

their duty. A benefit offered to a public official which is expressly permitted by written foreign law applicable to the official will not be a Bribe.

**Public Official** includes:

- » any officer or employee of a government or government owned/controlled entity;
- » a public international organisation;
- » a department or agency of a government or public international organisation;
- » any person acting in an official capacity for a government or public international organisation; or
- » political parties or candidates.

**Facilitation payment** is a payment of a small amount to secure or expedite a routine governmental action to which a company is otherwise lawfully entitled. Examples of such action include, but are not limited to, obtaining permits or licences, processing governmental papers such as visas and providing mail pick up and delivery.

**Officer** includes a director, senior executive, KMP or employee.

(b) Conduct

Each Personnel and Business Partner commits **not** to:

- (i) provide, offer or promise, either directly or indirectly, a Bribe to a Public Official or Officer with the intention of obtaining or retaining business or a business advantage;
- (ii) provide, offer or promise, either directly or indirectly, a Bribe to any person;
- (iii) permit, encourage or facilitate any other person to provide a Bribe to a Public Official or Officer;
- (iv) request, receive or agree to receive a Bribe;
- (v) use false or fraudulent documents, including by establishing off-the-book accounts or falsifying accounts or transactions; or
- (vi) intentionally and improperly destroy documents or financial records without the prior written consent of the Company.

Australian law permits the making of Facilitation Payments in certain circumstances. Notwithstanding this, our Personnel and Business Partners commit not to provide, offer or promise, directly or indirectly, any Facilitation Payments which amount to a Bribe.

(c) Gifts and reimbursement of expenses

**Entertainment, corporate hospitality and gifts**

The Company acknowledges that entertainment, corporate hospitality, sponsored travel or accommodation and the giving of modest gifts (together, **Gifts**) can, in appropriate circumstances, be legitimate business activities. The framework in this Code of Conduct is not intended to prohibit reasonably and proportionate Gifts. It is designed to prevent Gifts where there is an intention to influence, induce or reward improper performance, in which case the Gift will be considered a Bribe.

This Code of Conduct applies to any Gifts provided in the course of a Personnel's or Business Partner's activities, including Gifts provided or received by Personnel or as Business Partners.

Personnel and Business Partners may provide Gifts to Public Officials or Officers where:

- (i) there is no intention to influence the recipient or any other Public Official or person to improperly exercise their duty;
- (ii) the Gift complies with local laws;
- (iii) the Gift is occasional, modest and reasonable, having regard to all of the surrounding circumstances, including the average income and standard of living in the recipient's place of residence;
- (iv) the Gift is not extravagant and does not create the appearance of impropriety and bribery;
- (v) the Gift is of an appropriate type and value and is given at an appropriate time, taking into account the reason for the Gift and the status, rank or position of the intended recipient;
- (vi) the Gift is not of an explicit or inappropriate nature and does not involve an explicit or inappropriate venue;
- (vii) the Gift is given openly, not secretly and, if posted, sent to the recipient's company address;
- (viii) if the Gift involves sponsored travel or accommodation:
  - (A) there is a documented commercial benefit to the Company of sponsoring the travel or accommodation (for example, travel to visit relevant operations);
  - (B) the travel or accommodation is no more than is reasonably necessary to achieve that benefit (for example, travel is limited to relevant decision makers and does not include spouses); and
  - (C) travel or accommodation payments are made by the Company directly to recognised travel providers; and
- (ix) prior written approval is obtained from the Managing Director.

When seeking the required written approval, Personnel must provide the following information:

- (i) the name and role of the recipient;

- (ii) a description of the Gift, including dollar value;
- (iii) the name and position of the Personnel or Business Partner providing the Gift;
- (iv) the reason behind the provision of the Gift;
- (v) the date the Gift is to be provided; and
- (vi) any other information reasonably required by the Company.

The receipt or provision of any Gift (or the refusal of any Gift due to it being inappropriate) must be appropriately notified to the Managing Director and recorded in the Company's Gifts and Hospitality Register.

### **Political contributions**

Personnel must not contribute any funds, assets or anything else belonging to the Company to any political party or organisation. This extends to the granting of contributions to any individual who holds any form of public office, except where such contributions are authorised under this Code of Conduct.

### **Reimbursement of expenses**

Other than expenses which are occasional and of modest value, Personnel and Business Partners must not offer or promise to reimburse or pay expenses incurred by a Public Official or any other person, without the prior written approval of the Managing Director.

Reimbursement may be approved where:

- (i) there is a legitimate connection between the incurred expenses and the Company's legitimate business interests (i.e. where the expenses are reasonable travel expenses incurred as a result of a person attending the Company's premises or an event hosted by the Company);
- (ii) the reimbursement or payment does not create the appearance of impropriety or bribery; and
- (iii) the reimbursement is provided directly to the government, a government agency or organisation which the Public Official or Officer represents or the payment is made directly to the third party provider of the goods or services.

#### **(d) Training**

Induction training on this section 9.4 of this Code of Conduct will be provided to all new Personnel and Business Partners. In addition, all Personnel will receive refresher training on at least an annual basis. Training is mandatory and will be tailored to the situations most relevant to particular Personnel.

Where a line manager determines that further training of particular Personnel or Business Partners or all Personnel or Business Partners is required, such training will be arranged and will be mandatory.

If Personnel or Business Partners are uncertain about the operation of this Code of Conduct or its application to a particular situation, the point of contact is the Company Secretary.

(e) Reporting breaches

The Board self-reports any suspected breaches of this section 9.4 of this Code of Conduct or any other suspicious or corrupt interactions between Public Officials and Personnel and/or Business Partners, such as any express or implied requests for Bribes from Public Officials or other persons, to the Australian Federal Police in order to:

- (i) proactively identify and address wrongdoing within the Company;
- (ii) comply with the directors' obligations and duties to act in the best interests of the Company;
- (iii) minimise reputational damage; and
- (iv) be a good "corporate citizen".

Any internal reporting of a breach or other suspicious or corrupt interactions will be dealt with in accordance with the Company's Whistleblower Policy.

In accordance with the Company's Whistleblower Policy, an eligible whistleblower reporting the breach or inappropriate conduct will be protected from any victimisation or harassment, discrimination, demotion, dismissal or current or future bias as a result of making a report.

In making a report of a breach of this Code of Conduct or other inappropriate conduct, an eligible whistleblower may choose to remain anonymous or request that their name be kept confidential.

## 9.5 Review

The Board will monitor compliance with this Code of Conduct. This Code of Conduct will be periodically reviewed to ensure it continues to operate effectively for the Company's business operations and will be amended as required.