



**TRAVIS**  
P A R T N E R S

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## Board Charter

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Alfabs Australia Limited ACN 674 455 442 (**Company**)

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# Board Charter

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# Board Charter

## 1 Purpose of this Charter

The purpose of this Charter is to specify how the Company is governed so as to promote the Company and protect the interests of shareholders.

The Board is responsible for the governance of the Company. This Charter sets out the role and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and the operation of the Board.

## 2 Governance

The Constitution is the Company's key governance document and the Board must ensure that it and the Company comply at all times with the Constitution.

The operations and conduct of the Company are administered in accordance with the following charters and policies approved by the Board:

- (a) this Charter;
- (b) Audit and Risk Committee Charter;
- (c) Nomination Committee Charter;
- (d) Remuneration Committee Charter;
- (e) Code of Conduct;
- (f) Diversity Policy;
- (g) Securities Trading Policy;
- (h) Continuous Disclosure and Communication Policy;
- (i) Anti-Bribery & Corruption Policy; and
- (j) Whistleblower Protection Policy

Additionally, the Company must also comply with the *Corporations Act 2001* (Cth) (**Corporations Act**), ASX Listing Rules as well as all other applicable laws, moral codes and statutes.

## 3 The Board

### 3.1 Role of the Board

The Board are responsible for, and oversee the governance of, the Company. The Board is entrusted by shareholders to provide overall strategic guidance and financial management and controls for the Company through effective oversight of The Board

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ensures that the activities of the Company comply with its Constitution, from which the Board derives its authority to act, and with legal and regulatory requirements.

The Board is also responsible for the overall corporate governance and successful operation of the Company. The Board conducts itself honestly, fairly and diligently, in the best interests of the Company as a whole. The Board also ensures that the Company adopts the highest standards of behaviour and accountability, and complies with all of its contractual, statutory and any other legal or regulatory obligations.

This Charter sets out the functions of the Board by describing the structure of the Board and its committees, the need for independence and other obligations of directors.

### 3.2 Responsibilities of the Board

The Board strives to build sustainable value for shareholders while protecting the assets and reputation of the Company. Its functions include, but are not limited to:

- (a) demonstrating leadership;
- (b) defining the Company's purpose and setting its strategy, budget and business and financial plans;
- (c) approving the Company's statement of values and Code of Conduct to underpin a culture of acting lawfully, ethically and responsibly withing the Company;
- (d) overseeing and evaluating management's implementation of the Company's strategic direction, objectives and goals, instilling the Company's values and its performance generally;
- (e) monitoring and reviewing the performance of senior management of the Company (being the Chief Executive Officer, Chief Financial Officer and other individuals as determined from time to time by the Nomination Committee) **(Senior Management)**;
- (f) satisfying itself that an appropriate framework exists for relevant information to be reported to the Board by management and whenever required, challenging management and maintaining accountability;
- (g) monitoring the effectiveness of, and approving changes to, internal governance including delegated authorities, and monitoring resources available to Senior Management;
- (h) satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- (i) the prudential control of the Company's finances and operations, including monitoring its financial performance and approving its operating budgets and major capital expenditure;

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- (j) approving the Company's annual report including the financial statements, directors' report, remuneration report and corporate governance statement, with advice from the Remuneration Committee, Nomination Committee and the Audit and Risk Management Committee, as appropriate;
  - (k) overseeing the Company's process for making timely and balanced disclosures of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
  - (l) satisfying itself that the Company's remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite;
  - (m) considering the economic, occupational health and safety, environmental and social sustainability risks of the Company's activities;
  - (n) maintaining a constructive and ongoing relationship with the Australian Securities Exchange (ASX) and regulators, and approving policies regarding disclosure and communications with the market and the Company's shareholders; and
  - (o) setting measurable objectives for achieving gender diversity in the composition of the Board, Senior Management and the Company's workforce generally.

## **4 Powers delegated to Committees**

### **4.1 Committees generally**

Under the Constitution the Board may delegate responsibility to established committees to consider certain issues in further detail and then report back to and advise the Board.

There are currently three standing committees established by the Board:

- (a) Audit and Risk Management Committee;
- (b) Remuneration Committee; and
- (c) Nomination Committee,

(together, the **Committees**).

When appointing members of each Committee, the Board will take account of the skills and experience appropriate for that committee as well as any statutory or regulatory requirements.

The Company may establish other committees from time to time to consider other matters deemed to be of special importance.

### **4.2 Remuneration Committee**

The Remuneration Committee will assist the Board in:

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- (a) evaluating and approving the remuneration packages of the Chief Executive Officer, Chief Financial Officer, directors and other members of Senior Management;
  - (b) evaluating and approving the remuneration arrangements for non-executive directors;
  - (c) monitoring compliance with the non-executive director remuneration pool as established by the Constitution, or as subsequently amended by shareholders, and recommending any changes to the pool;
  - (d) administering short and long term incentive plans (including any equity plans) and engaging external remuneration consultants; and
  - (e) appointing, reviewing the performance of, remunerating and replacing the Board Chair.

#### **4.3 Nomination Committee**

The Nomination Committee will assist the Board in:

- (a) appointing and replacing the Chief Executive Officer, and approving the appointment and replacement of other members of Senior Management and the directors;
- (b) implementing the Company's induction program for new directors and periodic review and facilitation of ongoing professional development for directors;
- (c) regularly assessing the independence of all directors;
- (d) reviewing and implementing succession planning for directors and Senior Management; and
- (e) monitoring the organisational capability and mix of skills, experience, expertise and diversity on the Board and, when necessary, appointing new directors, for approval by shareholders.

#### **4.4 Audit and Risk Management Committee**

The Audit and Risk Management Committee will assist the Board in:

- (a) overseeing the establishment of, approving, reviewing and monitoring the Company's risk management framework (for both financial and non-financial risks) including its strategy, policies, procedures and systems;
- (b) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit and the Company's processes for verifying the integrity of any periodic corporate report the Company releases to the market that is not audited or reviewed by an external auditor;
- (c) reviewing and approving the Company's financial statements and reports;

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- (d) overseeing the Company's financial reporting, which, without limitation, includes:
    - (i) reviewing the suitability of accounting policies and principles, how they are applied and ensuring they are used in accordance with the statutory financial reporting framework;
    - (ii) assessing significant estimates and judgements in financial reports;
    - (iii) assessing information from external auditors to ensure the quality of financial reports; and
    - (iv) determining whether the financial and associated non-financial statements should be signed based on the Audit and Risk Management Committee's assessment of them;
  - (e) the entry into, approval or disclosure of related party transactions (if any);
  - (f) overseeing the Company's financial controls and systems;
  - (g) managing audit arrangements and auditor independence.

## **5 Powers delegated to Senior Management**

### **5.1 CEO**

The Board will delegate to the Chief Executive Officer (**CEO**) the authority and power to manage the Company's affairs within levels of authority specified by the Board from time to time. The CEO may delegate aspects of his or her authority and power but remains accountable to the Board for the Company's performance and is required to report regularly to the Board.

The Chief Executive Officer's role includes:

- (a) responsibility for the effective leadership of the management team;
- (b) the day-to-day management of the Company's operations (including operating within the values, Code of Conduct, budget and risk appetite set by the Board); and
- (c) oversight of the provision by Senior Management to the Board of accurate, timely and clear information on the Company's operations (including, but not limited to, information about financial performance, compliance with material laws and regulations and any conduct materially inconsistent with company values or the Code of Conduct).

### **5.2 Chair**

The Chair is an independent and non-executive director appointed by the Board, in accordance with the Constitution. The Chair must not hold and must not have held, within the previous 3 years, the office of CEO of the Company.

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The position of the Chair will be reviewed by the Board at the first Board meeting following the Annual General Meeting.

The Chair's role includes:

- (a) leading the Board and ensuring the efficient organisation and conduct of the Board's function;
- (b) facilitating effective contribution of all directors and promoting constructive and respectful relations among the directors and between the Board and management;
- (c) approving board agendas and ensuring adequate time is available for discussion of all agenda items, including strategic issues;
- (d) ensuring Board minutes properly reflect Board decisions;
- (e) overseeing that membership of the Board is skilled and appropriate for the Company's needs;
- (f) chairing the CEO evaluation process conducted by the Board;
- (g) commencing the annual process of Board and Director evaluation;
- (h) overseeing the role of the Secretary, including, reviewing corporate governance matters with the Secretary and reporting on those matters to the Board;
- (i) representing the views of the Board to the public; and
- (j) presiding over meetings of the Board and general meetings of shareholders.

The Chair is not entitled to vote or participate in the deliberations on any matter in which he or she has a personal interest, unless there is compliance with the conflict of interest provisions under the Constitution and the Corporations Act.

The Chair may be removed from office in accordance with the Constitution.

### **5.3 Secretary**

The Secretary is appointed in accordance with the Constitution and may be appointed and removed by the Board. The Secretary is responsible for the day to day operations of the company secretary's office, including the administration of Board and committee meetings, overseeing the Company's relationship with its share registrar and lodgements with the ASX and other regulators.

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

### **5.4 Individual Directors**

As prescribed by statutory requirements, Directors must:

- (a) act fairly and honestly in respect of their position as Director;



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- (b) only exercise their powers and discharge their duties in good faith and in the best interests of the Company; and
  - (c) use due care and diligence and commit the necessary time and effort to ensure they are contributing in the performance of the Company.

## **6 Board structure and composition**

### **6.1 Composition**

The composition, structure and proceedings of the Board are primarily governed by the Company's Constitution and relevant governing laws.

It is the Company's objective to establish and maintain a board with a broad representation of skills, experience, expertise, and diversity. The Board, with the assistance of the Nomination Committee, will regularly review the composition and structure and performance of the Board.

To the extent practicable, it is intended the Board should comprise a majority of non-executive, independent directors with a broad range of skills, expertise and experience that add value to the Board's deliberations.

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

Directors will be removed and appointed in accordance with the Constitution and the Corporations Act.

Where a Board vacancy arises, the Nomination Committee will identify candidates and assess nominations of new directors against a range of criteria including the candidate's background, experience, professional skills, personal qualities and whether their skills and experience will complement the existing Board.

The criteria to assess nominations of new directors will be reviewed annually based on the competencies of existing directors and the future strategy of the Company.

New directors will be engaged by a formal letter of appointment setting out the key terms and conditions of the appointment, together with any other documents that the Company considers relevant.

Directors must retire from office in accordance with the Constitution. Retiring directors may be eligible for re-election.

### **6.3 Professional development**

The Board will assist the Nomination Committee with periodically reviewing the professional development needs of existing directors.

## **7 Individual Director, Committee, Senior Management and Board Review**

With guidance from the Remuneration Committee and Nomination Committee, the Board will regularly review the performance of the Board, the Committees, Senior Management and each Director, against appropriate measures. Each year, the

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Company will disclose in its annual report whether such a performance evaluation has been undertaken during or in respect of that period.

A statement setting out Board composition targets and the details of the length of service of each director should be included in the Company's annual report.

## **8 Independence of non-executive directors**

To be judged independent, a director must, in the opinion of the Board, be free of any interest, position or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or any other person.

The Board adopts guidelines for assessing the independence of each Director based on that set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (4th edition) or as otherwise amended by the ASX from time to time.

The Board will regularly review the independence of each Director in light of those guidelines and their interests disclosed to the Board.

Individuals would, in the absence of evidence or convincing argument to the contrary, not be characterised as independent if they:

- (a) are, or have been, employed in an executive capacity by the Company, or another Group member and there has not been a period of at least three years between ceasing that employment and serving on the Board;
- (b) are, or have within the last three years been, a partner, Director or senior employee of a provider of material professional services to the Company or any Group member;
- (c) are, or have been within the last three years, in a material business relationship (eg as a supplier or customer) with the Company or other Group member, or an Officer of or otherwise associated with, someone with such a relationship;
- (d) are a substantial holder of the Company or an Officer of, or otherwise associated with, a substantial holder of the Company (as defined in section 9 of the Corporations Act);
- (e) have a material contractual relationship with the Company or another Group member other than as a Director of the Company;
- (f) have close family ties with any person who falls within any of the categories described above;
- (g) are directly involved in the audit of the Company or any of its subsidiaries;
- (h) have been a Director of the Company for such a period that his or her independence may have been compromised; or

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- (i) are not independent, or not able to satisfy the requirements to be determined as independent, according to the ASX Corporate Governance Principles and Recommendations,

The Company will disclose the names of the Directors considered by the Board to be independent in the Company's annual report.

If a director has an interest, position or relationship of the type described above, but the Board is of the opinion that it does not compromise the independence of that director, the Company may consider disclosing the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion in the Company's annual report.

Any change in the nature of the independence status of a non-executive director must be promptly notified to the Chair and Secretary and disclosed and explained in a timely manner to the market.

## **9 Board Meetings**

### **9.1 Meetings**

All Board meetings will be conducted in accordance with the Constitution and the Corporations Act.

All Directors are generally expected to prepare adequately, attend and participate at each Board meeting.

All proceedings of the Board, including Board papers, presentations and other information provided to the Board, must be kept confidential except as required by law or as agreed by the Board.

The non-executive directors are expected to meet periodically with no management present, to review management performance.

### **9.2 Independent advice**

Directors may, with approval by the Chair, obtain independent professional advice on matters arising in the course of their Board and committee duties. Whenever practicable, the advice must be commissioned in the joint names of the director and the Company, and where appropriate a copy of any such advice should be provided to and for the benefit of the entire Board. The other directors must be advised if the Chair's approval is withheld.

## **10 Conflict of interest**

Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company and will advise the Secretary of all directorships or executive positions held in other companies.

If a potential material conflict of interest or conflict of duty arises, the director concerned will advise the Chair prior to any Board meeting at which the conflicted matter is to be discussed. The director will not receive the relevant Board papers and will not be present or participate in the Board meeting while the relevant matter is

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considered unless the other directors approve that director's participation in the deliberation and voting on the relevant issue in accordance with the Corporations Act. Any potential conflict must be recorded in the Board minutes.

## **11 Conduct**

### **11.1 Restrictions on share dealings by directors**

The Company's Securities Trading Policy, places certain restrictions on directors, Senior Management and other nominated parties in relation to trading in the Company's securities.

All share dealings concerning the Company by directors must be promptly notified to the ASX.

### **11.2 Related Party Transactions**

Related party transactions between a director(s) and the Company are regulated by the Corporations Act and the ASX Listing Rules.

The Company must also disclose related party transactions in its financial report as required under relevant Accounting Standards.

### **11.3 Code of Conduct**

The Company's Code of Conduct (**Code**) set out the Company's commitment and expectation that all company personnel will behave honestly and fairly. Any material breaches of the Code should be reported to the Board.

## **12 Review**

The Board will, at least once in each year, review this Charter to determine its adequacy for current circumstances. The Charter may be amended by resolution of the Board.

**Adopted by the Board on 12 April 2024.**