

BOARD CHARTER

MANALTO LIMITED [ACN 098 640 352] ("the Company")

1. BACKGROUND AND PURPOSE

- 1.1. The Company is admitted to the official list of the Australian Securities Exchange ("ASX").
- 1.2. This Board Charter ("this Charter") is a corporate governance policy of the Company adopted by the Board with the express intention and purpose of seeking to implement good corporate governance practices and to achieve good governance outcomes.
- 1.3. This Charter sets out:
 - (a) roles and responsibilities of Directors individually and as the Board of the Company;
 - (b) roles and responsibilities of the Senior Management of the Company; and
 - (c) the composition and manner of operation of the Board.
- 1.4. Definitions and meanings of abbreviated terms are set out in a glossary at the end of this document.

2. CORPORATE GOVERNANCE

- 2.1. The Board shall encourage ethical behaviour and compliance with the Company's policies and procedures, including the:
 - (a) Code of Conduct;
 - (b) Securities Trading Policy;
 - (c) Communication and Disclosure Policy;
 - (d) Risk Management Policy;
 - (e) Audit and Risk Committee Charter;
 - (f) Remuneration Policy; and
 - (g) Diversity Policy.
- 2.2. The Board shall give effect to the Company's policies and procedures in accordance with their spirit with the purpose of advancing corporate governance practices for the benefit of the Company.

- 2.3. The Board shall periodically review the Company's compliance with corporate governance standards.

3. RESPONSIBILITIES OF DIRECTORS AND THE BOARD

- 3.1. The Board is ultimately responsible for the overall management and corporate governance of the Company.
- 3.2. Directors must:
- (a) act in the best interests of the Company;
 - (b) at all times act honestly in the exercise of their powers and the discharge of the duties of their office;
 - (c) exercise the degree of care and diligence that a reasonable person in a like position in a corporation would exercise in the Company's circumstances;
 - (d) ensure that at all times they have a good understanding of strategies and the businesses conducted by the Company;
 - (e) carefully study Board materials and issues;
 - (f) be active, objective and constructive in their participation at meetings of the Board and Committees;
 - (g) ensure that they have an appropriate base level of understanding of accounting matters to fulfil their responsibilities to read the financial statements of the Company carefully and to consider whether what they disclose is consistent with their own knowledge of the Company's affairs;
 - (h) minimise the possibility of conflicts of interest, and appropriately disclose and manage any conflicts of interest.
- 3.3. The Board has the authority to make decisions and give directions in relation to:
- (a) the development, implementation and alteration of the strategic direction of the Company, including future expansion of the Company's business activities;
 - (b) risk management, assessment and monitoring;
 - (c) ensuring appropriate external reporting to shareholders, the ASX, ASIC and other stakeholders;
 - (d) encouraging ethical behaviour, including compliance with the Company's governing laws and procedures and compliance with corporate governance standards; and
 - (e) establishing targets and goals for Senior Management to achieve and monitoring the performance of Senior Management.
- 3.4. The Board will make available the required financial and human resources to Senior Management to achieve the targets and goals set by the Board.

- 3.5. The Board has responsibility for the following specific matters:
- (a) the appointment, and where appropriate, the removal of:
 - (i) the CEO;
 - (ii) the CFO;
 - (iii) Executive Directors;
 - (iv) Company Secretaries; and
 - (v) Senior Managementof the Company.
 - (b) oversight of and final approval in relation to all matters delegated to Senior Management;
 - (c) determining upon establishment and amending when appropriate, the powers and functions of the Risk and Audit Committee, and the Technical Committee;
 - (d) ensure the Code of Conduct, the Communication and Disclosure Policy, the Securities Trading Policy, the Diversity Policy, the Risk Management Policy and Remuneration Policy are operative and being complied with;
 - (e) regular review of and powers to amend the Code of Conduct, the Communication and Disclosure Policy, the Securities Trading Policy, the Diversity Policy, the Risk Management Policy and Remuneration Policy to ensure the policies meet the standards of corporate governance the Board is committed to;
 - (f) review and oversight of compliance with ASX Listing Rules, financial reporting obligations, including periodic and continuous disclosure, legal compliance and related corporate governance matters;
 - (g) approving and monitoring major capital expenditure, capital management, acquisitions and divestitures and material contracts;
 - (h) approving and monitoring major Company financing matters including incurring material debt obligations; and
 - (i) monitoring and reviewing the financial performance of the Company;
 - (j) monitoring and reviewing the operational performance of the Company including the viability of current and prospective operations and opportunities; and
 - (k) proposing and recommending to shareholders any changes in the capital structure of the Company.
- 3.6. The Board may, in its absolute discretion, delegate any matter listed above in clause 3.5 (including the appointment and removal of personnel other than the CEO under

clause 3.5(a)) to the CEO or other Senior Management to ensure the efficient day-to-day operation of the Company.

4. ALLOCATION OF RESPONSIBILITIES OF PARTICULAR OFFICES OR POSITIONS

4.1. The **Chairperson** should not be the CEO and has the following responsibilities:

- (a) the organisation and efficient conduct of the business of the Board at Board meetings and on all other occasions;
- (b) ensuring all Directors are adequately informed about Board matters in a timely fashion to facilitate rigorous and accurate decision making in all business of the Board;
- (c) setting the agenda for meetings of the Board, guiding the meetings to facilitate open discussion and managing the conduct of, and frequency and length of such meetings, in order to provide the Board with an opportunity to arrive at a detailed understanding of the Company's performance, financial position, operations and challenges;
- (d) liaising with the Secretary concerning matters of corporate governance and conveying all information to the Board; and
- (e) encouraging engagement and compliance by Board members with their duties as Directors.

4.2. The **CEO and Senior Management** of the Company have the following joint and several responsibilities:

- (a) manage the Company in accordance with the directions and delegations of the Board;
- (b) report to the Board in a timely fashion all matters concerning the operations of the Company and the Company's employees;
- (c) coordinate the roles and responsibilities of the management and employees of the Company to achieve the goals set by the Board;
- (d) carry out the day-to-day management of the Company; and
- (e) in consultation with the Company's management and employees, establish and implement management policies and procedures to:
 - (i) achieve the financial and operational goals set by the Board;
 - (ii) build and maintain employee satisfaction and well-being;
 - (iii) build and maintain a staff identity and allegiance to the Company; and
 - (iv) ensure a safe workplace for all employees.

4.3. The **Secretary** has the following responsibilities:

- (a) the adoption and implementation of corporate governance practices;
- (b) coordination of the Board and its Committees;
- (c) monitoring of the policies and procedures of the Board;
- (d) advising the Board, through the Chairperson, of the corporate governance policies of the Company;
- (e) ensuring that each director has access to the Secretary as required;
- (f) the accurate reporting of the Business of the Board including the timely despatch of Board agendas and briefing papers and the accurate recording and timely despatch of the minutes of the Board;
- (g) ensuring compliance with ASX Listing Rules, the Corporations Act and Corporations Regulations where applicable to the Board and the Company;
- (h) in particular, in conjunction with the Chairperson, determining whether information conveyed to the Secretary should be disclosed to the ASX, and
- (i) liaising with the ASX in respect of Company announcements.

5. COMPOSITION OF THE BOARD

- 5.1. It is the objective of the Company to establish and maintain a Board with a broad representation of skills, experience and expertise.
- 5.2. To assist in achieving the objective stated above, the Board will at all times consist of:
 - (a) executive and non-executive directors; and
 - (b) a minimum of three directors.
- 5.3. The members of the Board will be listed in the Annual Report of the Company.
- 5.4. The Board will consider that a director to be independent if in accordance with the *ASX Corporate Governance Principles and Recommendations*, the director is free of any interest, relationship or association that may materially influence, or may reasonably be perceived to materially influence, the director's capacity to exercise their independent judgment on issues before the Board, and to act in the best interests of the Company and its shareholders. Therefore, unless circumstances indicate otherwise, the Board would consider a non-executive director to be an independent director if they are a director who is not a member of Senior Management of the Company and who:
 - (a) is not a substantial security holder of the Company, or an officer of, or otherwise directly associated with a substantial security holder of the Company;
 - (b) is not or has not been employed in an executive capacity by the Company or a child entity of the Company within the last three years and did not become a Director within three years of being so employed;

- (c) within the last three years, has not been a senior employee, partner or director of a provider of material professional services to the Company or a child entity of the Company;
 - (d) within the last three years, has not been in a material business relationship with the Company or any child entity of the Company or an officer of, or an associate to, someone with such a relationship;
 - (e) is not a party to a material contractual relationship with the Company or a child entity of the Company other than as a Director of the Company;
 - (f) has not served on the Board for a period of time which may materially interfere with that Director's motivation to act in the best interests of the Company;
 - (g) has no close family ties with any person who falls within any of the categories described in clauses 5.4(a) to 5.4(f) above; and
 - (h) is free from any conflict of interest which may materially interfere with that Director's motivation to act in the best interest of the Company.
- 5.5. The Board shall review the independence of each non-executive director on an annual basis, having regard to the indicia set out in clause 5.4 above.
- 5.6. If a Director ceases, or may have ceased to be independent, the Director shall advise the Chairperson immediately, and, if the Board finds that a Director is no longer independent, the Board shall immediately announce this to the market.
- 5.7. The Board shall state whether a non-executive Director is independent or not, and the reasons for such opinion, in the Company's annual report.

6. APPOINTMENT

- 6.1. Directors are appointed in accordance with the Constitution of the Company.
- 6.2. Where it is proposed that a new Director is to be appointed to fill a casual vacancy or to be put forward to security holders a candidate for election as a new Director of the Company, the Board will review and assess candidate new Directors against criteria which include overall skills, experience and background, professional skills, potential conflicts of interest, ability to exercise independent judgment and whether such director can be considered to be independent, the extent to which the candidate has other commitments and the time involved in respect of those commitments.
- 6.3. A candidate for appointment or election as a new non-executive Director will be requested to provide information for the purposes of the above review and assessment, a consent for the Company to conduct background and other checks as applicable to the above review and assessment, and an acknowledgement to the Company that he or she will have sufficient time to fulfil his or her responsibilities as a Director.

- 6.4. The Board will set out terms and conditions applicable to the appointment of a Director in a formal letter of appointment or Director's Service Agreement.
- 6.5. New Directors of the Company will be provided with a copy of the constitution of the Company and all relevant policies of the Board.
- 6.6. New Directors will be fully briefed with respect to the strategic direction of the Company.
- 6.7. Directors will be offered regular opportunities for professional development where relevant to their position as Directors of the Company and their role as Board members.
- 6.8. The Company shall undertake appropriate checks before appointing a Director or putting forward to security holders a candidate for election as a Director of the Company.
- 6.9. The Company will provide security holders of the Company with all material information in the Company's possession which is relevant to a decision on whether to elect or re-elect a Director.
- 6.10. The Board will set out the terms and conditions of the appointment of a Senior Manager in an employment contract with the Senior Manager.

7. BOARD MEETINGS

- 7.1. The Board will meet no fewer than six (6) times each financial year and may meet as often as required to fulfil their duties.
- 7.2. Board papers are to be provided to all proposed attendees of Board meetings no fewer than two days before the Board meetings.
- 7.3. Minutes of Board meetings are to be provided to Directors no later than 14 days following a Board meeting.
- 7.4. At the commencement of each meeting, Board members will be invited to disclose conflicts of interest. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged. Where members are deemed to have a real or perceived conflict of interest, they will be excused from discussion on the issue where a conflict exists.

8. BOARD COMMITTEES AND CORPORATE GOVERNANCE

- 8.1. As at the date of this Charter the Board intends that an Audit and Risk Committee and a Technical Committee for the Company will be established to assist in the execution of the Board's duties as and when it is considered the Company's assets and activities warrant it.
- 8.2. The Board has adopted a charter for the Audit and Risk Committee setting out matters concerning its composition and responsibilities. Until such time as an Audit and Risk Committee is established, or at other times if no Audit and Risk Committee

is then currently in existence, the Board will undertake the functions of the Audit and Risk Committee giving effect to the Audit and Risk Committee charter with adaptations as necessary and appropriate.

- 8.3. In addition to this Charter the Board has also adopted the following policy documents in the interest of best practice in corporate governance and to guide and assist the Company in the pursuit of its values and the achievement of its goals:
- (a) Code of Conduct;
 - (b) Securities Trading Policy;
 - (c) Communication and Disclosure Policy;
 - (d) Risk Management Policy;
 - (e) Audit and Risk Committee Charter;
 - (f) Remuneration Policy; and
 - (g) Diversity Policy.
- 8.4. The Board will review the policies and the Committee structure twice a year to ensure that considering the size of the Company and composition of the Board, the Board Committees are the most cost-effective and beneficial corporate structure for the Company which reflect the values of the Company and guide the conduct of the Board consistently with those goals.
- 8.5. The Board may also establish ad-hoc special purpose committees for time to time, with terms of reference approved by the Board.

9. INDEPENDENT PROFESSIONAL ADVICE

- 9.1. The Board collectively, and the Directors independently, are entitled to seek independent professional advice at the Company's expense to assist in their carrying out the functions and responsibilities as set out in this Charter or as regulated by applicable legislation, regulation or common law.
- 9.2. The Chairperson must approve the engagement of professional advisors acting in the best interests of the Company. If the Chairperson refuses approval of the engagement of professional advisors, the matter may be referred to the Board.

10. PERFORMANCE EVALUATION

- 10.1. The Board shall develop and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors, and disclose, in relation to each reporting period, whether a performance evaluation was undertaken during that reporting period.
- 10.2. The Board shall monitor and evaluate the performance of the CEO and Senior Executives in achieving the strategies and budgets set by the Board, and, where appropriate, may seek advice from the Remuneration Committee;

- 10.3. The Board shall approve non-executive director remuneration, the CEO's and Senior Executive and remuneration, and any incentive or employee equity plans.

11. DIVERSITY

- 11.1. The Board shall approve the Company's Diversity Policy and annual measurable objectives to encourage diversity (including, but not limited to, gender diversity) across the Company.
- 11.2. The Board shall annually review the Company's progress in achieving the measurable objectives set out in the Company's Diversity Policy.

12. DIRECTOR'S CODE OF CONDUCT

A Director's Code of Conduct has been developed for the Directors of the Company. In undertaking the responsibilities described in this Charter, the Board shall endeavour to create further value for shareholders, and in accordance with the obligations imposed upon it by law and with the Company's Constitution.

13. CHARTER REVIEW

Any changes to this Charter require approval of the Board. The Board will review the effectiveness of this Charter as required.

14. ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

In the compilation of this Charter, the Company has had regard to the recommendations of the *ASX Corporate Governance Principles and Recommendations (Third edition) (2014)* ("the Principles and Recommendations"). If the Company has not followed a particular recommendation it has sought to explain why it has not.

15. INTERPETATION AND APPLICATION

- 15.1. This Charter is to be interpreted, applied and given effect in a manner which advances the spirit and intention of this Charter, with particular regard to recognising the objectives of the *Principles and Recommendations*. If the Principles and Recommendations are amended, the Board shall take into account the amendments when interpreting, applying and giving effect to this Charter.
- 15.2. This Charter will apply, with such modifications as the context requires and permits, to the governance and conduct of the boards, and of directors, other officers and the senior management of subsidiaries of the Company, provided always that:
- (a) a person who holds a position with the Company and a subsidiary must observe this Charter in all his or her capacities with the Company and any subsidiary; and
 - (b) the performance of all roles positions with subsidiaries, all activities of or on behalf of subsidiaries, and the appointment, qualifications, review and retention or removal of directors, other officers and senior management of subsidiaries

will be subject to the overriding authority of the Company and the Board of the Company.

16. GLOSSARY

In this Charter:

Board means the Board of the Company;

CEO means the Chief Executive Officer;

CFO means the Chief Financial Officer;

Chairperson means the chairperson of the Board;

Charter means this Board Charter;

Director means a director of the Company for the time being;

Secretary means the, or each, person appointed as a secretary of the Company for the time being; and

Senior Management means employees or consultants of the Company who manage the Company pursuant to the directions and delegations of the Board.