



ep&t global

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Board Charter

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Board Charter

EP&T Global Limited ACN 645 144 314 (EP&T)

Operative provisions

1. Introduction

1.1 Purpose of Charter

This is the Charter of the Board of EP&T Global Limited (the **Charter**). The Charter governs the operations of the Board. It sets out the Board's role and responsibilities, composition, structure and membership requirements.

1.2 Role of Board

- (a) The Board is responsible for the overall operation and stewardship of EP&T and, in particular, for the long-term growth and profitability of EP&T, the strategies, policies and financial objectives of EP&T, and for monitoring the implementation of those policies, strategies and financial objectives, including the responsibilities set out below.
- (b) In performing the responsibilities set out in this Charter, the Board should act at all times in a manner designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on them by EP&T's constitution and by law.

1.3 Review of Charter

The Board must review and reassess this Charter at least annually and, if required, make any amendments to the Charter.

2. Roles and responsibilities of the Board

2.1 Strategy

The role of the Board in respect of strategy includes:

- (a) defining EP&T's purpose;
- (b) providing input to, and approval of, EP&T's strategic direction and budgets as developed by management;
- (c) directing, monitoring and assessing EP&T's performance against strategic and business plans, to determine if appropriate resources are available; and
- (d) approving and monitoring capital management and major capital expenditure, acquisitions and divestments.

2.2 Risk management & reporting

The role of the Board in respect of risk management and reporting includes:

- (a) identifying the principal risks of EP&T's business and ensuring EP&T has in place an appropriate risk management framework and establishing the acceptable levels of risk within which the Board expects the management of EP&T to operate which may

include economic, environmental and social sustainability risks, as well as operational, financial and strategic risks;

- (b) reviewing and ratifying EP&T's systems of internal compliance and control, risk management frameworks and legal compliance systems, to determine the integrity and effectiveness of those systems;
- (c) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the board; and
- (d) approving and monitoring material internal and external financial and other reporting, including:
 - (i) periodic reporting to shareholders, the ASX and other stakeholders; and
 - (ii) overseeing EP&T's processes for making timely and appropriate disclosure of all material information concerning EP&T that a reasonable person would expect to have a material effect on the price or value of EP&T's securities.

In accordance with paragraph 2.6 of this Charter, the Board may refer some or all of these functions to the Audit, Risk and Compliance Committee for detailed consideration and action.

2.3 Relationship with management

The role of the Board in relation to management includes:

- (a) appointment and removal of the Managing Director (MD) (or equivalent) and the Company Secretary;
- (b) ratifying the appointment and removal of senior executives (which includes all executives who report directly to the MD);
- (c) approving EP&T's remuneration policies and framework and determining whether the remuneration and conditions of service of senior executives are appropriate and consistent with the approved remuneration policies and framework;
- (d) establishing and monitoring executive succession planning;
- (e) delegating the day to day decision making and implementation of Board approved strategy to the MD;
- (f) setting specific limits of authority for management; and
- (g) where required; challenging management and holding it to account.

2.4 Monitoring of performance

The role of the Board in respect of performance monitoring includes:

- (a) approving criteria for assessing performance of senior executives and monitoring and evaluating their performance;
- (b) undertaking an annual evaluation of the performance of the Board, each Board Committee and individual Directors, comparing their performance with the requirements of this Charter, relevant Board Committee Charters and the reasonable expectations of individual Directors;
- (c) appointing a suitable non-executive director to conduct an annual evaluation of the performance of the Chair, including the canvassing of views of the other directors; and

- (d) where appropriate, engaging external facilitators to conduct its performance evaluations,
- (e) each year following the performance review, the Chair should establish the goals and objectives of the Board for the upcoming year and effect any amendments to this Charter and any Board Committee Charter considered necessary or desirable;
- (f) each year, the Chair of the Board will facilitate an assessment of the performance of the Board, each of the Board Committees and their respective chairs, comparing their performance with the requirements of the relevant Charter and the reasonable expectations of such functions; and
- (g) every three years, an independent third party will undertake an assessment of the performance of the Board and each Board Committee, their respective chairs and the individual Directors, comparing their performance with the requirements of the relevant Committee Charter, and the reasonable expectations of such functions.

2.5 Corporate governance

The role of the Board in respect of corporate governance includes:

- (a) selecting and appointing the Board chair, and if EP&T has one, the deputy chair or senior independent director;
- (b) approving EP&T's statement of values and code of conduct;
- (c) ensuring ethical behaviour and compliance with EP&T's own governing documents, including the code of conduct and statement of values;
- (d) satisfying itself that EP&T's remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite; and
- (e) monitoring and evaluating EP&T's compliance with its corporate governance standards.

2.6 Board Committees

The role of the Board includes:

- (a) establishing such committees of the Board as may be appropriate.
- (b) adopting Charters setting out the membership, responsibilities and reporting obligations of each Board Committee and evaluating the performance of the Board Committees; and
- (c) undertaking a periodic performance evaluation of each Board Committee that compares the performance of the Board Committee with the requirements of the relevant Board Committee Charter, setting forth the goals and objectives of the Board Committee for the upcoming year and effecting any amendments to the relevant Board Committee Charter considered necessary or desirable.

2.7 Other

The role of the Board also includes performing such other functions as prescribed by law.

3. Board composition and related matters

3.1 Board size

The constitution of EP&T Group Limited provides that the number of Directors must at any time be no more than ten [10] and no less than three [3].

3.2 Board composition

The Board should comprise:

- (a) a majority of people who are independent¹ Directors (accepting that at the date this Charter is adopted, there will not be a majority of independent Directors but that the Board has assessed its composition as it transitions to an ASX-listed entity and is satisfied that the composition of the Board reflects an appropriate range of independence, skills and experience and that it will regularly assess its composition);
- (b) people with a mix of skills and diversity of backgrounds to enable the Board to discharge its duties effectively.

3.3 Chair

The Chair of the Board should be independent and should not hold the role of Chief Executive Officer (CEO) or MD (accepting that at the date this Charter is adopted, the Chair of the Board is not independent, however he does not hold the role of CEO or MD).

3.4 Company secretary

The Company Secretary will:

- (a) be appointed and removed by the Board; and
- (b) report to and be accountable to the Board, through the Chair of the Board, on all matters to do with the proper functioning of the Board and Board Committees.

3.5 Independent directors

- (a) An independent director is a non-executive director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect 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 entity and its security holders generally.
- (b) Examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include where the director:
 - (i) is, or has been, employed in an executive capacity by EP&T or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
 - (ii) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, EP&T;
 - (iii) is, or has been within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with EP&T or

¹ Independent, as defined by the ASX Corporate Governance Council. See section 3.5 below.

another group member, or is an officer of, or otherwise associated with, someone with such a relationship;

- (iv) is, represents, or is or has been within the last three years and officer or employee of, or professional adviser to, a substantial holder;
 - (v) has close personal ties with any person who falls within any of the categories described above; or
 - (vi) has been a director of EP&T for such a period that their independence from management and substantial holders may have been compromised.
- (c) Family ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence and should be disclosed by Directors to the Board.
- (d) The Board will regularly review the independence of each Director in light of interests disclosed and will disclose any change to ASX, as required by the ASX Listing Rules.

3.6 Material business relationship

A professional adviser, consultant, supplier or customer will be considered to have a material business relationship with EP&T if:

- (a) from the perspective of the director, the business relationship is significant (directly or indirectly) to their own circumstances; or
- (b) from EP&T's perspective, the business relationship generates revenue or expenses (to EP&T) of 5% or more of EP&T's total revenues or expenses, as applicable.

3.7 Board judgement that a director remains independent

- (a) The Board may consider a director to be independent notwithstanding that the Director has an interest or relationship set out in Section 3.5.
- (b) In these circumstances, the Board will take into account:
 - (i) the nature and extent of the interest or relationship;
 - (ii) the type of transactions that are normally entered into between EP&T and the other party, the nature of the transactions and whether the Director has been personally involved in negotiating the terms and conditions of any of the transactions; and
 - (iii) any other matters the Board considers relevant to its assessment.
- (c) If the Board determines that, notwithstanding the interest or relationship, the Director is independent, the Board will disclose its reasons for this assessment and the interest or relationship of the Director in the annual corporate governance statement.

3.8 Appointing new directors

When considering the appointment of a person as a Director, the Board will:

- (a) undertake appropriate checks before appointing the person, or putting the person forward to shareholders as a candidate for election as a Director; and
- (b) provide shareholders with all material information in the possession of EP&T relevant to a decision on whether or not to elect or re-elect a person as a Director, including whether the person will qualify as an independent Director.

4. Management and delegation

4.1 Managing Director and management

The MD (or equivalent) is responsible for running the day to day affairs of EP&T under delegated authority from the Board and to implement the policies and strategy set by the Board. In carrying out the managing director's responsibilities, the MD (or equivalent) must ensure that the Board is provided with accurate information in a timely and clear manner and ensure all reports to the Board present a true and fair view of EP&T's financial condition and operational results.

4.2 Delegation to management

The role of management is to support the MD (or equivalent) and implement the running of the general operations and financial business of EP&T, in accordance with the delegated authority of the Board. The delegated authority includes responsibility for:

- (a) developing business plans, budgets and strategies for EP&T for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- (b) operating EP&T's business within the parameters set by the Board from time to time and keeping the Board informed of material developments in the Company's business;
- (c) in respect of proposed transactions, commitments or arrangements that exceed the parameters set by the Board, referring such matters to the Board for its consideration and approval;
- (d) identifying and managing operational and other risks and, where those risks could have a material impact on EP&T's businesses, formulating strategies for managing these risks for consideration by the Board;
- (e) implementing the policies, processes and codes of conduct approved by the Board; and
- (f) managing EP&T's current financial and other reporting mechanisms and control and monitoring systems to ensure that these mechanisms and systems function effectively and capture all relevant material information on a timely basis.

4.3 Senior executives

EP&T will have:

- (a) a written agreement with each person appointed as a senior executive of EP&T setting out the terms of their appointment;
- (b) completed the appropriate checks before appointing a senior executive; and
- (c) a process for ensuring that the performance of senior executives of EP&T are reviewed at least annually.

5. Other matters

5.1 Protocols where a director has a conflict of interest

From time to time a director may have a conflict of interest. To help Directors manage any such conflicts the Board has developed processes with the aim of ensuring that the consideration of matters by the Board and any Board committees is undertaken free from any actual influence or appearance of influence from persons with conflicts of interest, and that the disclosure of EP&T's confidential information is to be subject to appropriate corporate governance controls.

5.2 Independent Professional Advice for Directors

- (a) Directors may obtain independent professional advice, at EP&T's cost, in carrying out their responsibilities.
- (b) It will be appropriate to obtain independent professional advice where:
 - (i) the issue or recommendation in question is one which the Director reasonably considers, after consulting with the Board or the Chair of the Board, is of a character that makes obtaining independent advice appropriate; and
 - (ii) the Board or Chair, following such consultation consents to the obtaining of such advice.
- (c) Independent professional advice can be obtained without the involvement of EP&T's management where the Board or the Chair considers it appropriate to do so.
- (d) A suitable qualified expert in the appropriate field should be instructed. Prior to instructing the expert, the Director should advise the Board or Chair of the fee payable which must be reasonable having regard to the nature of the advice sought and the fees charged by comparable experts.
- (e) All instructions to the expert must be in writing specifying the party instructing and the capacity in which that party is acting and the party to whom the advice is to be addressed.
- (f) Except in circumstances of competing interests between the Directors or the Director and EP&T, a copy of the advice, the letter of instruction, and all materials which accompanied the letter must be provided to the Board.

5.3 Terms of appointment of Directors

- (a) All Directors are expected to continue as Directors only for so long as they have the confidence of their fellow Board members and the confidence of EP&T's shareholders.
- (b) In accordance with the constitution of EP&T, no Director except a MD will hold office for a continuous period in excess of three years or past the third annual general meeting following the Director's appointment, whichever is the longer, without submitting for re-election.
- (c) EP&T will have a written agreement with each person appointed as a Director setting out the terms of their appointment.

5.4 Inconsistency with EP&T's constitutions

To the extent that there is any inconsistency between this Charter and EP&T's constitution, the constitutions will prevail.

5.5 Adoption of Charter and Board review

- (a) This Charter (including its annexures) was adopted by the Board on 18 March 2021, and takes effect from that date and replaces any previous charter in this regard.
- (b) The Board will review this Charter periodically.

Annexure A – Disclosures of interests and conflicts of interest

1. Statutory duty to disclose material personal interest

Subject to certain exceptions, a director of a company who has a material personal interest in a matter that relates to the affairs of the company must give the other directors notice of the interest (refer to section 191 of the Corporations Act 2001 (Cth) (**Corporations Act**)).

2. Restrictions on attendance and voting

Unless the other directors approve, a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting must not be present while the matter is being considered at the meeting or vote on the matter (refer to section 195 of the Corporations Act).

3. Standing notice

A director who has an interest in a matter may give the other directors standing notice of the nature and extent of the interest in the matter (refer to section 192 of the Corporations Act). The standing notice may be given at any time and whether or not the matter relates to the affairs of the company at the time the notice is given. The standing notice may be given before the interest becomes a material personal interest. Each director is responsible for promptly updating the information contained in a standing notice it provides to the company.

4. General law – Conflicts of interest

- (a) At general law, directors have a fiduciary duty to avoid conflicts of interest. It is an established principle that directors of a company must not, in any matter falling within the scope of their service, have a personal interest or inconsistent engagement with a third party, except with the company's fully informed consent (often referred to as the **Conflict Rule**).
 - (b) Amongst many of the general principles that have been developed by the Courts in respect of the Conflict Rule, in certain circumstances, mere disclosure of a conflict between interest and duty and abstaining from voting on the matter is insufficient to satisfy a director's fiduciary obligations. Disclosure is generally the minimum requirement, however, in certain circumstances, a positive duty to protect the interests of the company by, for instance, taking steps to prevent a transaction from going ahead, may lie with the directors.
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5. Common form of conflict - use of information by nominee directors

- (a) A common situation in which a conflict may arise is where a nominee director acquires information as a result of the nominee's position as a director that the nominee knows will be of interest to the nominating company. The conflict in this situation includes:
 - (i) a duty of confidentiality owed to the company of which it is a director; and
 - (ii) a commercial desire to communicate knowledge acquired to the nominating company as a result of his or her position as a nominee.

- (b) As a basic principle, the duty of confidentiality owed to the company in paragraph 5(a)(i) of this annexure is greater than any duty owed to the nominating company.
 - (c) Consequently, as a general rule, if a director acquires any information in his or her capacity as director of a company (which is not otherwise publicly available), the director cannot communicate that information to the nominating company. To do so would potentially breach a number of directors' duties, including the common law duties to act honestly and to avoid conflicts of interest, and the statutory duties to act in good faith, not to misuse position, and not to misuse information (refer to sections 181 to 184 of the Corporations Act).
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6. Nominee Directors

- (a) From time to time there may be Directors on the Board who are nominated representatives of securityholders of EP&T. If the Board is required to consider a matter which involves, or affects the interests of, a shareholder, any involvement in the Board's consideration of that matter by a Director who is the nominated representative of that shareholder may give rise to a conflict for that Director (for instance, as contemplated in paragraph 5 of this annexure).
- (b) In those circumstances, the procedure set out in paragraph 2.2 of the protocols must be adopted for the purposes of making a determination as to whether the Director's involvement in the Board's consideration of the matter would give rise to a conflict.
- (c) If it is determined that the Director's involvement in the Board's consideration of the matter would give rise to a conflict, that Director must not:
 - (i) be provided with any information relating to that matter;
 - (ii) participate in any discussions regarding that matter; and
 - (iii) take part in any decision-making process in relation to that matter.
- (d) In addition, if that Director acquires any information about the matter, he or she must not, without the consent of the Board, disclose any of that information to the shareholder he or she represents nor attend any discussions or negotiations in relation to the matter between EP&T on the one hand and that securityholder.