

Charter



## Board Charter

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Cabcharge Australia Limited

ACN 001 958 390

Adopted by the Board on 20 June 2016

## 1 Introduction

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The Board of the Company has adopted this Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws.

This Charter includes an overview of:

- Board composition and process; and
- the relationship and interaction between the Board, Board Committees and management.

The Board Charter and the charters adopted by the Board for its standing Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

## 2 Board composition

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### 2.1 Board composition and size

- Non-executive Directors are engaged through a letter of appointment and are elected or re-elected by the shareholders.
- The Board, together with the Corporate Governance Committee, determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- It is intended that the Board will comprise a majority of independent Non-executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- The Board, together with the Corporate Governance Committee, will review the skills, experience, expertise and diversity represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Company's strategy. The Board and Corporate Governance Committee will have regard to this review when considering Board succession planning.

### 2.2 Director independence

- The Board only considers a Director to be independent where he or she is free of any interest, position, association or relationship that might influence, or might reasonably be perceived to influence, in a material respect his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.
- The Board has adopted a definition of independence based on that set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (3rd edition) (see Attachment 1).
- The Board will at least annually review the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non-executive Director to the Board.

## 3 Board role and responsibilities

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### 3.1 Board role

The Board's role is to:

- represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance;
- protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and monitor compliance with the Company's values and governance framework (including observing high ethical standards); and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

### 3.2 Board responsibilities

The responsibilities of the Board include:

- selecting, appointing and evaluating the performance of, determining the remuneration of, and planning succession of, the Chief Executive Officer (**CEO**);
- ratifying the appointment of the Chief Financial Officer (or equivalent);
- providing input and final approval for management's corporate strategy, including setting performance objectives and approving operating budgets;
- monitoring corporate performance and implementation of strategy, including whether appropriate resources are available;
- reviewing, ratifying and monitoring systems of risk management, internal control and legal compliance. This includes reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- approving and, as appropriate, monitoring progress of major capital expenditure, acquisitions and divestitures, and overseeing capital management, including approving dividend payments;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- approving financial reports, profit forecasts and other reports required at law or under the ASX Listing Rules to be adopted by the Board;
- ensuring shareholders are kept informed of the Company's performance and major developments affecting its state of affairs;
- evaluating, at least annually, the performance of the Board, its Committees and individual Directors in accordance with the Performance Evaluation Policy;
- developing and reviewing the Company's values, Code of Ethics and Conduct and corporate governance policies and monitoring corporate culture, setting the tone from the top;
- developing, and reviewing on an annual basis, measurable objectives for achieving diversity in accordance with the Diversity Policy including the effectiveness of any strategies aimed at achieving the objectives;
- approving the Company's remuneration and superannuation frameworks; and
- performing such other functions as are prescribed by law or nominated by the Board from time to time.

### **3.3 Director responsibilities**

- Directors are expected to be active and effective participants at Board and Committee meetings and workshops.
- Directors will act at all times with honesty and integrity and will observe the highest standards of ethical behaviour.
- Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.
- Directors must participate in all induction and orientation programs and any continuing education or training arranged for them.

## **4 Delegation of duties and powers**

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### **4.1 Delegation to management**

- While the Board retains ultimate responsibility for the strategy and performance of the Company, the day-to-day operation of the Company is conducted by, or under the supervision of, the CEO in accordance with the approved Schedule of Delegated Authority (as amended from time to time).
- The Board approves corporate objectives for the CEO to work towards and, jointly with the CEO, develops the duties and responsibilities of the CEO.
- The management team (being the CEO and other officers to whom the management function is properly delegated by the CEO):
  - is responsible for implementing strategic objectives, plans and budgets approved by the Board; and
  - is accountable to the Board for matters within its delegated authority.
- Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- Directors are entitled to request through the Chairman, CEO and/or Company Secretary additional information at any time when they consider it appropriate.

### **4.2 Delegation to Committees**

- The Board from time to time establishes Committees to streamline the discharge of its responsibilities.
- The Board adopts a formal charter for each standing Committee setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- The permanent standing Committees of the Board are the:
  - Audit and Risk Committee; and
  - Corporate Governance Committee.
- The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.

## 5 Chairman and Company Secretary

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### 5.1 The Chairman

- The Board will appoint one of its members to be Chairman.
- It is intended that the Chairman should be an independent Non-executive Director.
- The Chairman provides leadership to the Board and sets the agenda for Board meetings.
- The Chairman represents the Board to the shareholders and communicates the Board's position.

### 5.2 The Company Secretary

- The Board will appoint at least one Company Secretary who is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.
- The Company Secretary is accountable to the Board on all matters to do with the proper functioning of the Board.
- All Directors will have direct access to the Company Secretary.
- The Company Secretary will be the secretary of the Board.

## 6 Directors' disclosure

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Directors are required to monitor and disclose any potential conflict of interest that may arise. Directors must:

- disclose to the Chairman any actual or potential conflicts of interest that may exist as soon as the situation arises;
- take all necessary and reasonable steps to resolve any conflict of interest; and
- comply with the *Corporations Act 2001* (Cth) requirements about disclosing interests and restrictions on participation and voting.

The Board will determine whether or not declaring a conflict of interest should, in relation only to the matter that results in the conflict of interest, result in the Director not:

- receiving any papers; and / or
- taking place in or being present for any consideration or discussions.

Directors must discuss with the Chairman any proposed Board or executive appointments they are considering. Where the Chairman deems appropriate the appointment will be raised at the next Board meeting. In the meantime, a Director should not accept the appointment. A Director should advise the Company Secretary in writing of appointments to other companies as soon as possible after the appointment is made.

The same requirement exists for related party transactions, other than those occurring on an arms-length basis. A proposed related party transaction should be reported to the Chairman and, where the Chairman deems appropriate, raised for consideration at the next Board meeting. In the meantime, the Director concerned should not commit to the transaction. A Director should advise the Company Secretary in writing of a related party transaction as soon as possible after it is approved by the Board and the transaction entered into.

In the event that the Chairman has a conflict of interest, the Chairman will follow the same procedures as set out above for Directors but will discuss any potential conflicts with and make all relevant disclosures to the Chairman of the Corporate Governance Committee, who will determine if such information should be brought to the Board for consideration.

## 7 Access to independent professional advice

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The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chairman.

## 8 Review and Board Assessment

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This Charter is to be reviewed by the Board as required and at least annually.

## 9 Administrative matters and procedures

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The proceedings of the Board will be conducted in accordance with the Company's Constitution and the guidelines set out in Attachment 2.

## Guidelines of the Board of Directors – Independence of Directors

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Without limiting the Board's discretion, the Board has adopted the following guidelines to assist in considering the independence of Directors with regard to the ASX corporate governance principles and applicable laws. In general, Directors will be considered to be 'independent' if they:

- are not employed in an executive capacity by the Company or another group member, or, if they have been previously employed in an executive capacity by the Company or another group member, there has been a period of at least 3 years between ceasing such employment and serving on the Board;
- have not within the last 3 years been a partner, director or senior employee of a provider of material professional services to the Company or another group member;
- have not within the last 3 years been 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 directly or indirectly someone with such a relationship;
- are not a substantial shareholder of the Company, or officer of, or otherwise associated directly or indirectly with, a substantial shareholder of the Company;
- have no material contractual relationship with the Company or another group member, other than as a director of the Company;
- do not have close family ties with any person who falls within any of the categories described above;
- have not been a director of the entity for such a period that his or her independence may have been compromised; and
- are free from any other interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

### Materiality thresholds

The Board will consider the materiality of the directors' interests, position, association or relationship for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles. Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- The Board will determine the appropriate base to apply (eg revenue, equity or expenses), in the context of each situation.
- In general, the Board will consider a holding of 5% or more of the Company's shares to be material.
- In general, the Board will consider an affiliation with a business which accounts for less than 10% of the relevant base to be immaterial for the purposes of determining independence. However, where this threshold is exceeded, the materiality of the particular circumstance with respect to the independence of the particular director should be reviewed by the Board.
- Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the director's ability to act in the best interests of the Company.

### Administrative matters and procedures

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The Company's Constitution governs the regulation of Board meetings and proceedings. These guidelines are subject to the detailed rules contained in the Company's Constitution.

#### **Meetings**

The Board will meet regularly and Directors will use all reasonable endeavours to attend Board meetings in person.

Where directors cannot attend in person they may do so using technology.

#### **Quorum**

The quorum is at least **2** Directors.

#### **Secretary**

The Company Secretary, or his or her delegate, must attend all Board meetings as minute secretary.

#### **Convening and notice of meeting**

Any Director may, and the Company Secretary must upon request from any Director, convene a meeting of the Board. Notice of a meeting of the Board will be given to:

- every Director, aside from a Director on a leave of absence; and
- any alternate Director appointed by a Director on a leave of absence.

#### **Minutes**

Minutes of meetings of the Board must be kept by the Company Secretary and, after review by the Chairman, approved for distribution to the members of the Board.

Minutes will be considered at the next Board meeting. If approved, the Chairman of that meeting will be authorised to sign them.

All minutes of the Board must be entered into a minute book maintained for that purpose and be available for inspection by any Director.