



## COMET RIDGE LIMITED

### BOARD CHARTER

#### 1. Purpose

The purpose of the Board Charter is to clearly outline the structure of the Board of Comet Ridge Limited (the “Company”) and to define its role through the identification of the powers reserved solely to it and those delegated to Committees of the Board or to management.

#### 2. The Role of the Board

The role of the Board is to provide and maintain the strategic objectives for the Company in addition to overseeing management’s implementation of the Company’s strategic initiatives.

In performing its role, the Board should be mindful that:

- While the primary objective of the Company is to create and build on shareholders’ value the legitimate interest of other parties who may be interested in or be affected by the activities of the Company need to be considered; and
- Stakeholders expect that the Board will execute their duties and responsibilities in a lawful, fair, honest and ethical manner.

#### 3. The Responsibilities of the Board

The key responsibilities of the Board are as follows:

- Approving the strategic direction and financial objectives of the Company;
- Oversight of the Company’s control and accountability systems;
- Appointing, reviewing the performance of, and succession planning for the Managing Director and Company Secretary;
- Ratifying the appointment and, where appropriate, ratifying the removal of the Chief Financial Officer, the Company Secretary and (if appointed) the Chief Operating Officer;
- Reviewing and ratifying systems of risk management, compliance and internal control;
- Establishing and monitoring governance and legal compliance systems;
- Monitoring management's performance and it’s implementation of the approved strategic direction of the Company and budgets;

- Ensuring appropriate resources are available for the Company in the pursuit of its objectives;
- Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestments , in excess of delegated limits;
- Approving and monitoring financial and other reporting including appointing the external auditor (where applicable based on the recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by shareholders at the following Annual General Meeting of the Company;
- Approving significant changes to the organisational structure, including significant acquisitions, divestment, or changes to the capital of the Company; and
- Deciding on any matter which is in excess of the discretions or limits that have been delegated from time to time to management.

In performing its responsibilities and functions, the Board may delegate any of its powers to a Board committee or to other persons in accordance with the Constitution.

#### **4. Board Composition**

##### **4.1 Board Composition**

Under the Constitution, the Board of Directors shall comprise no less than three (at least two of which must reside in Australia) and no more than nine directors at any one point in time.

The Board has determined that:

- The Managing Director should be a director;
- Additional directors may be appointed at the Board's discretion;
- The Board shall comprise Directors with a range of backgrounds and experience with, where circumstances permit the majority being Non-executive independent Directors;
- Board composition should be reviewed annually by the Board to ensure that it possesses the necessary range of skills, knowledge and experience to oversee the affairs of the Company.
- The positions of Chairman and Managing Director are required to be held by separate persons

##### **4.2 Subsidiary Boards**

The Board has determined that the Boards of controlled entities will generally comprise the Managing Director, the Chairperson and the Company Secretary.

#### **4.3 Board Committees**

The Board has established Audit, Risk and Remuneration Committees, and may establish additional or ad hoc committees to assist it in carrying out its responsibilities. These committees act by examining various issues and making recommendations to the Board.

Formal Charters setting out the objectives, scope and administration of the Audit, Risk and Remuneration Committees have been established.

### **5. Independence**

The Board recognises that various principles and factors are relevant in determining the independence of a Director, but consider that true independence is a matter of judgement in the particular circumstances and will be determined by the Board on an ongoing basis. Such determination will have regard to external indices such as the definition of an independent director published by the Australian Securities Exchange and materiality thresholds, standards or guidelines as the Board may from time to time adopt.

When evaluating candidates, the Board will have regard to the potential for conflicts of interest, whether actual or perceived, and the extent or materiality of these in the ongoing assessment of Director independence.

Additional policies, such as Directors not being present during discussions or decision making on matters in which they have or could be seen to potentially have a material conflict of interest, as well as Directors being excluded from taking part in the appointment of third party service providers where the Director has an interest, provide further separation and safeguards to independence. The Board has considered materiality thresholds in relation to independence, but has determined not to establish fixed thresholds, believing that, if taken in isolation and out of context, these can be misleading and inconclusive.

Any decision by the Board as to whether a set of circumstances renders a Director an Independent Director or otherwise is conclusive and all Directors will abide by that decision.

### **6. Roles**

#### **6.1 Chairman**

If the composition of the Board allows, the Chairman will be an independent, Non-executive Director. The Chairman is to have a casting vote at Directors' meetings where there are more than 2 Directors eligible to vote on a particular question.

The Chairman represents the Board to the shareholders and communicates the Board's position, as well as monitoring the performance of the Board through regular evaluations of it, its committees and individual directors. The Chairman also oversees the day to day functions carried out by the Managing Director.

## **6.2      *Managing Director***

The Managing Director (MD) is responsible for the executive management of the Company, and is accountable to the Board for its day to day operations. The MD is authorised to delegate such of the powers conferred on him as he deems appropriate. The delegation of powers by the MD will be subject to limits and restrictions as from time to time determined by the Board.

## **6.3      *Company Secretary***

The Company Secretary is responsible for the co-ordination of all Board business, including agendas, board papers, minutes, and communications with regulatory bodies.

All Directors will have direct access to the Company Secretary.

The Company Secretary shall have authority to counter-sign documents, provided that the Company Secretary is first satisfied that:

- The document has been properly authorised for signature; and
- The document has been signed by a Director of the Company.

## **7.        *Authority Delegated to Management***

### **7.1      *Delegation to the Managing Director***

The Board has delegated to the MD authority over the day-to-day management of the Company, its subsidiaries and their respective operations. This delegation of authority includes responsibility for:

- Developing business plans, budgets and Company strategies for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets and strategies;
- Identifying and managing operational risks on a daily basis and, where those risks could have a material impact on the Company's businesses, formulating strategies for managing these risks for consideration by Board;
- Managing the Company's current financial and other reporting mechanisms as well as its control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;
- Ensuring that the Board and its various committees are provided with sufficient information on a timely basis in regard to the Company's business and, in particular, with respect to the Company's performance, financial condition, operating results and prospects, to enable the Board and those committees to fulfil their governance responsibilities; and

- Implementing the policies, processes and codes of conduct approved by the Board.

The MD may delegate or appoint management to carry out and / or assist in performing the responsibilities delegated to the MD by the Board, but shall remain responsible for these matters.

## **7.2 Reserved Powers**

Any responsibilities not specifically delegated by the Board to the Managing Director or through him to other members of executive management, remain the responsibility of the Board.

## **8. Meetings**

### **8.1 Frequency and Notices of Meeting**

The Board must convene regular meetings with such frequency as is sufficient to discharge its responsibilities.

Board and Committee papers should be provided to Directors sufficiently in advance of the scheduled meetings to allow for adequate preparation.

The Chairman is responsible, in consultation with the Managing Director and the Company Secretary, for the preparation of Agendas and the conduct of all Board Meetings.

### **8.2 Non-executive Meetings**

The Non-executive Directors of the Company may meet as considered necessary for private discussions of management issues at which Non-independent Directors and management are not in attendance, but in any event they shall meet at least once a year.

## **9. Review of Board Performance**

The Board of Directors believes that regular assessment of the Board's effectiveness and the contribution of individual Directors are essential to improve the governance and guidance of the Company.

The review focuses on matters such as the structure, the effectiveness and contributions made by each Director and the progress towards the strategic objectives of the Company.

The Chairman is responsible for conducting an Annual Review of the Board's Performance.

## **10. External Directorships**

Non-executive Directors should continually review the number of Boards on which they serve to ensure that each company can be given the time and attention to detail required to properly exercise their powers and discharge their duties.

A Non-executive Director must notify the Chairman prior to accepting an invitation to become a Director of any publicly listed company and in the case of the Chairman, the Chair of the Audit Committee.

**11. Independent Advice**

The Board and its committees may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairman, (which will not be unreasonably withheld) individual Directors may seek independent professional advice at the expense of the Company, on any matter connected with the discharge of their responsibilities.

**12. Review of Charter**

This Charter will be reviewed regularly to ensure that it meets the best practice standards, and complies with all governance principles of the Australian Securities Exchange.

**This updated version of the Policy was adopted by the Board 5 February 2015.**



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**Chairman**