



# Board Charter

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**Experience Co Limited**  
ACN 167 320 470

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## **1 INTRODUCTION**

The Board of Experience Co Limited (the Company/EXP) is a strong advocate of good corporate governance and is committed to fulfilling its corporate governance obligations and responsibilities in the best interests of the Company, shareholders, employees, customers, suppliers and the community.

The Board has adopted this Board Charter and each Director has undertaken to observe the requirements of this Charter. This Charter should be read in conjunction with the Company's Constitution.

## **2 BOARD RESPONSIBILITIES AND DELEGATIONS**

### **2.1 Purpose and Principle Role**

It is the role of the Board to:

- (a) demonstrate leadership aligned with the values adopted by EXP and instill the culture of the organisation;
- (b) define EXP's purpose and values;
- (c) set strategic and financial objectives;
- (d) ensure EXP's statement of values and code of conduct articulate the culture desired within the business and that they are regularly reviewed.

### **2.2 Board Responsibilities**

The Board has reserved the following matters, in addition to those required by law:

- (a) composition of the Board , including the appointment and retirement of Directors and the election of the Chair of the Board;
- (b) appointment and removal of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Company Secretary and Senior Executives who report directly to the CEO;
- (c) determining the terms and conditions of appointment of the CEO and the CFOE and Senior Executives who report directly to the CEO and implementing performance monitoring procedures to apply to them;
- (d) overseeing and challenging management in its implementation of EXP's strategic and financial objectives and its promotion and adherence to EXP's values and culture expectations;
- (e) ensuring EXP's remuneration policies are aligned with the Company's purpose, values and strategic and financial objectives;
- (f) in consultation with management, determining the Company's business purpose, strategic objectives, key performance targets, core values and code of conduct and monitoring management's implementation of such strategies and achievement of such targets;
- (g) overseeing the integrity of the Company's accounting and corporate reporting systems, including external audit;
- (h) ensuring all EXP Board approved policies are implemented and complied with;
- (i) reviewing and overseeing the operation of risk management systems and internal compliance and controls for both financial and non-financial risks and setting the risk appetite of the Company;
- (j) adopting the annual budget and monitoring the financial performance of the Company;
- (k) approving the half-year and full-year audited financial statements;
- (l) approving interim and final dividends to shareholders;
- (m) approving significant changes to the organisational structure of EXP;
- (n) approving the acquisition, establishment, disposal or cessation of any significant business of EXP;

- (o) approving the issue of any shares, options, equity instruments or other securities in EXP;
- (p) monitoring the Company's compliance with applicable laws including environmental laws, occupational health and safety laws and regulations, the Corporations Act and ASX Listing Rules; and
- (q) appointing, overseeing and approving terms of reference of the Board Committees.

In performing the responsibilities set out above, the Board must at all times act:

- (a) honestly, fairly, diligently and in accordance with the law;
- (b) in a manner designed to create and build sustainable value for shareholders; and
- (c) in accordance with the duties and obligations imposed upon them by the Company's Constitution, ASX Listing Rules, the Corporations Act and any other applicable laws.

### **2.3 Delegations to Management**

- (a) The Board has delegated responsibility and authority for the management, operation and administration of the Company and business and for the implementation and performance of the strategic objectives and for instilling the Company's values, to the CEO. This includes the power to delegate responsibilities and authority to the senior management team.
- (b) The EXP senior management team, led by the CEO, is responsible for developing and implementing strategic plans which align with the strategic and financial objectives set by the EXP Board.
- (c) The EXP senior management team must lead in accordance with the statement of values and code of conduct approved by the Board and within the risk appetite set by the Board.
- (d) The EXP senior management team is responsible for providing the Board with accurate, timely and clear information on the Company's operations. This responsibility extends beyond just financial information such that the Board receives assurances that the Company continues to comply with its statutory, regulatory and legal obligations and that the Company's values and code of conduct continue to be adhered to.

Notwithstanding any delegation under this clause 2.3, the Board retains the ultimate accountability to the Company's shareholders in discharging its duties. It may revoke or alter its delegations to the CEO or senior management if it considers it necessary and in the interest of the Company.

### **2.3 Access to information and advice**

- (a) Directors will have access to information in relation to the Company and its group members as it relates to the business, the industry in which it operates and information generally required by them to discharge their responsibilities.
- (b) Subject to prior approval from the Chair of the Board, each Director has the right to seek independent legal or other professional advice at the Company's expense on all matters necessary for that Director to make fully informed and independent decisions. Prior approval from the Chair of the Board may not be unreasonably withheld or delayed.

## **3 MEETINGS**

- (a) The Board will hold meetings for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.
- (b) Papers for Board and Committee meetings are to be circulated, wherever practical, at least 5 days before the relevant meeting.
- (c) As deemed appropriate, Non-executive Directors will meet without management present.

## **4 BOARD COMPOSITION**

- (a) The Board will comprise a majority of independent Directors;
- (b) The office of the Chair of the Board and the roles of the CEO must not be exercised by the same individual.
- (c) The Board of EXP will consider the need for the appointment of a Deputy Chair from time to time.

- (d) The Chair of the Board will be an independent Director and will:
  - (i) lead the Board and ensure all Directors are able to make an effective contribution in a constructive, respectful and challenging manner;
  - (ii) ensure there is a collegiate relationship between the Board and management; and
  - (iii) be responsible for the content and conduct of each board meeting.

#### **4.1 Director Independence**

- (a) The Board will determine whether or not a Director is independent. In determining a Director's independence, the Board will consider whether the Director:
  - (i) is a substantial shareholder of the Company or an officer of, or otherwise directly associated with a substantial shareholder of the Company. For this purpose, a "substantial shareholder" is a person with a substantial holding as defined in section 9 of the Corporations Act;
  - (ii) within the last three years has been employed in an executive capacity by the Company or another Group Company, or been a Director of such a Company after ceasing to hold any such employment;
  - (iii) within the last three years has been a principal of a material professional adviser or a material consultant to the Company or another Group Company, or an employee materially associated with the service provided;
  - (iv) is now or within the last three years has been a material supplier or customer of the Company or another Group Company, or is an officer of or otherwise associated directly or indirectly with a material supplier or customer;
  - (v) has any material contractual relationship with the Company or another group member other than as a Director of the Company;
  - (vi) has served on the Board for a period which could reasonably be perceived to materially interfere with the Director's ability to act in the best interests of the Company;
  - (vii) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
  - (viii) has family ties or cross directorships that may compromise the Director's independence.

The Board will assess the independence of each Director in the light of the interests disclosed by them. Each Director will disclose promptly to the Board all relevant information for this purpose. The independence of each Director will be disclosed in the Company's annual report.

- (b) Independent Directors are required to notify the Company promptly if they become aware of any factor which may affect their status as an independent Director.

## **5 APPOINTMENT AND RETIREMENT OF DIRECTORS**

- (a) The Board will consider candidates identified and selected by the Nomination and Remuneration Committee having regard to:
  - (i) skills, expertise and experience of candidates; and
  - (ii) the skills, expertise and experience of existing Directors, taking into account diversity objectives.
- (b) The terms and conditions of the appointment of all new members of the Board must be set out in a letter of appointment
- (c) The Company will perform appropriate background checks before appointing a Director. This requirement extends to senior management.

## **5.1 Board Committees**

- (a) The Board will, from time to time, establish committees to assist it in carrying out its responsibilities and adopt charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.
- (b) The Board will, as a minimum, establish the following committees:
  - (i) an Audit and Risk Committee; and
  - (i) a Nomination and Remuneration Committee.

## **6 INDEMNITY AND INSURANCE**

A Deed of Indemnity, Insurance and Access, prepared at the Company's expense, will be entered into with each Director.

## **7 THE COMPANY SECRETARY**

The Company Secretary is responsible to the Board, through the Chair of the Board, on all corporate governance matters.

## **8 PERFORMANCE EVALUATION**

- (a) The Board is to review its overall performance as well as the performance of its committees regularly. The Chair of the Board is responsible for reviewing the performance of individual Directors .
- (b) The performance of the CEO and CFO are reviewed annually by the Chair and other non-executive Directors, as deemed appropriate by the Chair.

## **9 NON-EXECUTIVE DIRECTOR REMUNERATION**

Non-executive Directors are remunerated by way of set annual fees and do not participate in schemes designed for the remuneration of executives. They do not receive incentive payments and are not provided with retirement benefits other than statutory superannuation. Non- executive Directors may be compensated for special exertions in connection with the affairs of the Company, in addition to remuneration for their service as a Director of the Company.

### **9.1 Equity related incentives**

The Company may provide equity related incentive compensation such as share rights or options to senior management including its executive Directors. It may also provide equity related compensation to other employees and, on a limited basis to non-executive Directors. Any equity related executive compensation must only be provided through a plan disclosed to shareholders and approved by shareholders if required in accordance with the Corporations Act or ASX Listing Rules.

## **10 CONFLICTS OF INTEREST**

A Director should seek to avoid conflicts of interest wherever possible. Full disclosure of the conflict, or potential conflict, must be made to the Board. In consideration, account should be taken of the significance of the potential conflict and the possible consequences for the Company.

Dealing in the shares of the Company should be undertaken with care and in accordance with the Company's Securities Trading Policy. A Director should not engage in the short-term trading of the Company's shares.

## **Declaration of Interests**

Directors must comply with the following requirements:

- (a) They must take all reasonable steps to avoid actual, potential or perceived conflicts of interests.
- (b) In accordance with the Corporations Act, Directors must disclose any conflicts of interest.
- (c) In the event that a Director or officer becomes aware of any current or potential conflicts of
- (d) interest, the Director must immediately notify the Chair of the Board and the Company Secretary.
- (e) Directors must disclose his or her interest in a matter being considered by the Board either prior to or at the time.
- (f) All related party transactions require proper consideration and approval by the Board in accordance with the provisions below.

## **Related Party Transactions**

- (a) A related party includes:
  - (i) a Director or senior manager of EXP or members of that Director's immediate family such as
  - (ii) a spouse, parent or child;
  - (iii) any entity which has the ability to control EXP (Controlling Entity);
  - (iv) Directors of any Controlling Entity and their immediate families;
  - (v) other entities controlled by any of the above parties;
  - (vi) an entity which was a related party to EXP within the previous 6 months;
  - (vii) an entity that believes it will become a related party in the future; and
  - (viii) an entity acting in concert with a related party.
- (b) 'Control' exists where a person has the ability to determine decisions in relation to the financial and operating policies of another entity.

## **Procedures for related party transactions**

- (a) All proposed or potential related party transactions must be disclosed to and approved by the Board of EXP before they are entered into.
- (b) All related party transactions must be undertaken on arm's length terms and /or otherwise in compliance with the Corporations Act and the ASX Listing Rules.
- (c) Consideration of all proposed or potential related party transactions must be undertaken in Compliance with section 195 of the Corporations Act, which may preclude a Director from voting on the matter.
- (d) Arrangements concerning related party transactions must be negotiated at arm's length by persons who are independent of the related party. This may require an independent committee of the Board to be formed to supervise negotiations.
- (e) All related party transactions should be approved only by independent members of the Board of EXP.
- (f) Both before and during a related party transaction, it should be ensured the transaction meets the following criteria:
  - (i) It is in the best interests of existing shareholders - the Board is required to ensure that related party transactions are conducted at arm's length and on commercial terms.
  - (ii) Fair value and reasonable – the terms of the transaction must be at least as good as, or better than it would receive if it were dealing at arm's length on a commercial basis.
  - (iii) Properly documented – including records to justify the price and any other terms and conditions upon which the related party transaction is entered into, in particular the rationale for entering into the transaction.
  - (iv) Independent Report (as applicable) – report as to the reasonableness of the price and other terms and conditions may be appropriate in certain circumstances
  - (v) Independent advice should be sought (where appropriate) in relation to whether a related party transaction is permitted by Chapter 2E of the Corporations Act or ASX Listing Rules, requires shareholder approval, is on arm's length terms or requires disclosure to the ASX.

## **11 REVIEW**

The Board will review the Charter regularly to ensure that it provides best practice corporate governance principles and policies.

This Charter is available on the Company's website.