



AMA GROUP LIMITED
ACN 113 883 560
Board Charter

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1. INTRODUCTION

The Board of the Company (**Board**) has the ultimate responsibility to its shareholders for the developing the strategy and overseeing the performance of the Company. The Board at all times recognises its continuing responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interest of the shareholders of AMA Group Ltd (**AMA/Company**), as well as its employees, customers, suppliers and the community.

The purpose of this Board Charter is to document the policies upon which the Board has decided to meet its legal and other responsibilities.

2. THE ROLE OF THE BOARD

The Board's role is to direct, govern, promote and administer the Company while protecting the interests of the Company and its shareholders. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. The Board is also responsible for the overall corporate governance of the Company. The Board has the authority to determine, all matters relating to policies, practices, management and operations of the Company.

Purpose and principal functions of the Board include the following:

- Providing leadership aligned with the culture and values of AMA.
- Defining AMA's purpose and setting its strategic and financial objectives.
- Ensuring AMA's statement of values and code of conduct articulates the desired culture within the business

Board Responsibilities

- Composition of the Board including appointment and retirement of Directors and the election of the Chair of the Board.
- Approving the appointment and removal of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and all direct reports to the CEO and determining the terms and conditions of employment, including remuneration.
- Evaluating the performance of the CEO at least annually.
- Overseeing and challenging management in its implementation of AMA's strategic and financial objectives.
- Approving AMA's annual budget and monitoring the financial performance of the Company.
- Setting the risk appetite within which the Board expects management to operate and ensuring AMA has appropriate risk management frameworks for managing financial and non-financial risk.
- Ensuring AMA's remuneration policies are aligned with its purpose, values, strategic and financial objectives and risk appetite;
- Overseeing the integrity of the Company's accounting and corporate reporting systems, including external audit.
- Approving the half and full year audited financial statements.
- Approving dividends to shareholders.
- Monitoring the conduct of the Company's compliance with applicable laws.
- Appointing, overseeing and approving the terms of reference of the Board Committees.
- Overseeing the Company's processes for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

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

- In a manner designed to create and build sustainable value for shareholders; and
- In accordance with the duties and obligations imposed upon them by AMA's Constitution, the Corporations Act, ASX Listing rules and all relevant legislation.

Delegations to Management

- The Board has delegated responsibility and authority for the management, operation and administration of the Company and business, for the implementation and performance of the strategic objectives and for instilling the Company's values, to the CEO. This includes the power to the CEO to delegate responsibilities and authority to the senior management team.
- The AMA 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 Board.
- The AMA 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.
- The CEO 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 continues to be adhered to.

Board Committees

To assist the Board in carrying out its responsibilities, the Board has the authority to establish committees, and to delegate powers accordingly.

The Board is responsible for approving and reviewing the charter, terms and membership of each committee established by the Board.

The Board has established the following committees:

- Audit and Risk Committee;
- People, Culture, Remuneration and Nomination Committee.

All non-executive Directors shall be entitled to attend meetings and receive papers and minutes of Board committees unless a conflict of interest exists.

The Board retains ultimate accountability to the Company's shareholders in discharging its duties and it may revoke or alter its delegations to the CEO, senior management or to the Committees as it deems necessary.

3. BOARD STRUCTURE

Number of Directors

- The Board will comprise of at least 3 Directors.
- A majority of Directors shall be independent Directors.
- The Chair of the Board will be an independent Director.
- The office of Chair of the Board and the role of the CEO must not be performed by the same individual.

Director Independence

The Board will determine whether or not a Director is independent. In determining a Director's independence, the Board will consider whether the Director:

- 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;
- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;

- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the entity;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- has close personal ties with any person who falls within any of the categories described above;
- has been a Director of the entity for such a period that their independence from management and substantial holders may have been compromised; and
- 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.

The Board will assess the independence of each Director in the light of the interests disclosed by each Director. 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.

Appointment of Directors

The Board is responsible for determining an appropriate mix of skills, knowledge, experience, expertise and diversity on the Board, necessary to review and approve the strategic direction of the Group, and to guide and monitor the management of the Group. The Board will regularly review its mix of skills to make sure it comprises skills needed to address existing and emerging business and governance needs relevant to the entity.

When considering the potential reappointment of an existing Director, the Board will take into account the individual's performance as well as the current and future skills and experience mix required by the Board.

When considering vacancies, the Board will take into account a candidate's capacity to enhance the mix of skills and experience of the Board.

The terms and conditions of the appointment of all Directors will be set out in a letter of appointment.

The Company will perform appropriate background checks before appointing a Director. This requirement extends to senior management.

New Directors will undergo an induction process which will include a full briefing on the business of the Company.

The Board must ensure a process is in place for evaluating the performance of the Board, the Committees of the Board and individual Directors.

The performance of the CEO and CFO are to be reviewed annually by the Chair of the Board and other non-Executive Directors, as deemed appropriate by the Chair of the Board.

Expectations of Directors in Board Process

Directors shall, in good faith, conduct themselves in a manner that is consistent with generally accepted procedures for the conduct of Board and Committee meetings.

Directors have a duty to question, request information, raise any issue, and fully canvas all aspects of any issue confronting the Company, and cast their vote on any resolution according to their own judgment.

Directors will support the letter and spirit of Board decisions in discussions with all stakeholders including any shareholders, special interest groups, customers, staff, suppliers and any other parties.

The Directors acknowledge that all proceedings of the Board and its Committees are strictly confidential and will not be disclosed to any person other than Board members or as agreed by the Board or as required by law.

4. ROLE OF THE CHAIR OF THE BOARD

The role of the Chair of the Board is a key one within the Company and is generally to:

- Maintain effective communication and promote constructive and respectful relationships between the Board and management.
- Lead the Board.
- Ensure the efficient organisation and conduct of the Board's function.
- Brief all Directors in relation to issues arising at Board meetings.
- Chair general meetings of the Company.
- Exercise such specific and express powers as are delegated to the Chair by the Board from time to time.
- Represent the Board in communications with shareholders and other stakeholders.

5. THE ROLE OF THE CEO

The CEO reports directly to the Board and has the following key responsibilities:

- Managing and administering the day-to-day operations of the Group and its businesses in accordance with the core values, strategy, business plans and policies approved by the Board.
- Developing strategies for the Group, its businesses and management, and making recommendations to the Board on such strategies, having regard to the reputation and key stakeholders of the Group and to instil the Group's core values throughout the Group.
- Achieving the Company's goals and vision, in accordance with the strategies, policies, programs and performance requirements approved by the Board.
- Supporting a culture within the Group that promotes ethical and socially responsible behaviour in accordance with the Group's core values
- Developing the Group's annual budget and conducting the Group's activities within the approved annual budget;
- Developing and maintaining the Group's risk management framework and systems, including internal compliance and control mechanisms;
- Assigning responsibilities to direct reports and to supervise and report on their performance to the Board;
- Recommending to the Board significant operational changes, major capital expenditure, acquisitions or divestments, which are beyond delegated thresholds;
- Reporting regularly to the Board with accurate, timely and clear information, such that the Board is fully informed to discharge its responsibilities effectively; and
- Exercising such additional powers as are delegated to the CEO by the Board from time to time.

6. THE ROLE OF THE COMPANY SECRETARY

The Company Secretary is charged with facilitating the Company's Corporate Governance processes and for ensuring that the Board procedures run efficiently and effectively. The Company Secretary is accountable to the Board, through the Chair of the Board, on all governance matters and reports directly to the Chair of the Board. The Company Secretary is appointed by the Board and all Directors have access to the Company Secretary.

The role of the Company Secretary includes:

- assisting the Board and Board Committees on governance matters.
- monitoring Board and committee policy and procedures.
- co-ordinating the timely completion and dispatch of Board and Committee papers.
- ensuring that the business at Board and Committee meetings is accurately captured in the minutes.

7. GOVERNANCE AND RELATED

Access to information and advice

- 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.
- 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 to make fully informed and independent decisions. Prior approval from the Chair of the Board may not be unreasonably withheld or delayed.

Board Meetings

- The Board shall meet at least eight times per year, and otherwise as often as the Directors determine necessary to enable the Directors and the Board to fulfil their duties and responsibilities.
- A Director may call a meeting of the Directors, and the Company Secretary must, if requested by a Director, call a Board meeting.
- The Company Secretary or his/her delegate is responsible for distributing Board meeting papers to directors prior to each meeting.
- A quorum for a Board meeting shall be determined in accordance with the Constitution.
- As deemed appropriate, Non-executive Directors will meet without management present.

Ethical Standards and Legal Duties

- **Code of Conduct** - Each Director shall abide by the terms of the Company's Code of Conduct, and is expected to demonstrate leadership and uphold the ethical standards and corporate behaviour described in the Code of Conduct.
- **Values** - The Board will operate in a manner reflecting the values of the Group and in accordance with its agreed corporate governance guidelines, the Constitution, the Corporations Act and all other applicable laws and regulations.
- **Conflicts of interest and related party transactions** - Each Director has a fiduciary and statutory duty not to place themselves in a position which gives rise to, or is perceived to give rise to, a real or substantial conflict, whether it be a conflict of interest or conflict of duties. All Directors are required to comply with the Company's Conflicts of Interest and Related Party Policy.
- **Dealing in shares** - Directors must ensure any dealings in shares are in strict compliance with the Company's Securities Trading Policy, as directed by the Chair of the Board and otherwise in accordance with the values of honesty and integrity.

External Directorships - Non-Executive Directors

- A non-executive Director should continually evaluate the number of boards of companies (and any Committees of those boards) on which the non-executive Director serves, to ensure that each company can be given the time and attention to detail required to properly exercise the Director's powers and discharge the Director's duties to that company. commitments required by the non-executive Directors and whether these time commitments are being met.
- A non-executive Director shall notify the Chair of the Board prior to accepting an invitation to become a Director of any Company (other than the Company or any related body corporate).

External Directorships - Executive Directors

An executive Director must obtain approval of the Chair of the Board prior to accepting an invitation to become a Director on any Company (other than the Company or any related body corporate).

Non-Executive Director Remuneration

Non-executive Directors are paid fees out of the maximum aggregate amount approved by shareholders for the remuneration of non-executive Directors. The sum each non-executive Director is paid is determined by the People, Culture, Remuneration and Nomination Committee (or full Board) from time to time. Additional fees are not paid for participation on Board Committees without the approval of the Board, however, if they are paid, then the total fees paid to non-executive Directors, including fees paid for participation on Board Committees, are kept within the total amount approved by shareholders.

Insurance

The Company will maintain a Director's & Officer's Liability Policy.

Performance-Based Bonus

Non-Executive Directors do not receive performance-based bonuses.

Equity-Based Remuneration

Non-Executive Directors may choose to receive shares in the Company as part of their remuneration instead of receiving cash. However, Non-executive Directors may not participate in equity schemes of the Company, such as option schemes, without shareholder approval.

Review of Charter

The Board will from time to time review the Charter to ensure that it meets best practice standards, complies with the ASX Corporate Governance Principles and Recommendations and meets the needs of the Company and the Board.