



Board Charter

BIG RIVER INDUSTRIES LTD
ACN 609 901 377
(Company)

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1 Purpose of this charter

The purpose of this charter is to specify how the Company is governed so as to promote the desired culture within the Company and protect the interests of shareholders.

The Board is responsible for the governance of the Company. This charter sets out the role and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and the operation of the Board.

2 Role and responsibilities of the Board

2.1 Role

On behalf of the shareholders of the Company, the role of the Board is to provide overall strategic guidance and financial management and controls for the Company through effective oversight of management and demonstration of leadership. The Board ensures that the activities of the Company comply with its constitution, from which the Board derives its authority to act, and with legal and regulatory requirements.

To achieve this role, the Board has reserved to itself the following specific responsibilities.

2.2 Responsibilities

The Board is responsible for:

- (a) defining the Company's purpose and contributing to and approving management development of corporate strategy and setting performance and strategic objectives;
- (b) approving the Company's statement of values and code of conduct to underpin the desired culture within the Company;
- (c) appointing the chairperson (and potentially any deputy chairperson and/or "senior independent director" (if necessary));
- (d) appointing and when necessary replacing the chief executive officer ("CEO");
- (e) approving the appointment and when necessary replacement of other senior executives of the Company and the company secretary;
- (f) overseeing management in its implementation of the Company's strategic objectives, instilling of the Company's values and its performance generally;
- (g) through the chairperson, overseeing the role of the company secretary;
- (h) approving operating budgets, major capital expenditure and acquisitions and divestments;
- (i) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit and the approval of dividends;
- (j) monitoring capital management;
- (k) overseeing the Company's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (l) ensuring that the Company has in place an appropriate risk management framework (for financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;

- (m) approving the Company's remuneration framework and satisfying itself that remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- (n) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- (o) whenever required, challenging management and holding it to account;
- (p) monitoring the effectiveness of the Company's governance practices; and
- (q) setting measurable objectives of the Company to achieve gender diversity in the composition of the Board, senior executives, and the workforce generally.

3 Role and responsibilities of chairperson and company secretary

3.1 Chairperson

The chairperson is an independent and non-executive director appointed by the Board. The chairperson is responsible for:

- (a) leading the Board in reviewing and discussing Board matters;
- (b) chairing Board meetings and shareholder meetings, including, setting the agenda for Board meetings and ensuring that adequate time is available for discussion of all agenda items (in particular, strategic issues);
- (c) ensuring the efficient organisation and conduct of the Board's function;
- (d) briefing all directors in relation to issues arising at Board meetings;
- (e) facilitating effective contribution by all directors and monitoring Board performance;
- (f) overseeing that membership of the Board is skilled and appropriate for the Company's needs;
- (g) promoting constructive and respectful relations between Board members and between the Board and management;
- (h) ensuring that independent directors meet separately on a regular basis to consider, among other things, senior executive performance;
- (i) overseeing the role of the company secretary, including, reviewing corporate governance matters with the company secretary and reporting on those matters to the Board; and
- (j) establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

3.2 Company secretary

The company secretary acts as secretary of the Board, attending all meetings of the Board as required. All directors are able to communicate directly with the company secretary and vice versa. The company secretary is accountable directly to the Board, through the chairperson on all matters to do with the proper functioning of the Board. The company secretary is responsible for:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring that Board and committee policy and procedures are followed;
- (c) coordinating the timely completion and despatch of Board and committee papers;

- (d) ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- (e) helping to organise and facilitate the induction and professional development of directors and the company secretary.

4 Delegations of authority

4.1 Delegation to committees

Under the Company's constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.

Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committee. There are currently two standing committees:

- (a) Audit and Risk Committee; and
- (b) Nomination and Remuneration Committee.

The Company may establish other committees from time to time to consider other matters of special importance.

Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chairperson of each committee will report back on committee meetings to the Board at the next full Board meeting.

4.2 Delegation to CEO and management

The Board has delegated to the CEO the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself in this charter.

The Board may impose further specific limits on CEO delegations. These delegations of authority will be maintained by the company secretary and will be reviewed by the Board as appropriate from time to time.

The CEO has authority to sub-delegate to the senior management team.

The CEO and other senior executives will be responsible for:

- (a) implementing the Company's strategic objectives and instilling and reinforcing the Company's values, all while operating within the values, code of conduct, budget and risk appetite set by the Board; and
- (b) providing the Board with accurate, timely and clear information on the Company's operations (including, without limitation, about its financial performance, compliance with material legal and regulatory requirements, and any conduct that is materially inconsistent with the values or code of conduct of the Company) to enable the Board to perform its responsibilities.

Senior executives will have a written agreement in place setting out the terms of their appointment. In addition, appropriate background checks (such as checks as to the person's character, experience, education, criminal record and bankruptcy history) are conducted on any candidates for senior executive appointments prior to appointment.

5 Membership

5.1 Composition and size

It is intended that, if possible, the Board should consist of a majority of non-executive, independent directors. The chairperson of the Board will be elected annually by the directors and must be an independent non-executive director.

The directors will determine the size of the Board, subject to the Company's constitution, which provides that there can be no less than three directors. The number of directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making and adequately discharge its responsibilities and duties.

The Company will seek to have directors with an appropriate range of skills, experience and expertise and an understanding of and competence to deal with current and emerging issues of the business and to achieve the Company's strategic objectives.

The Company's succession plans are designed to maintain an appropriate balance of skills, experience and expertise on the Board.

5.2 Appointment and re-election of directors

The process of selection and appointment of new directors to the Board is that when a vacancy arises, the Nomination and Remuneration Committee identifies candidates with appropriate skills, experience and expertise having regard to the board skills matrix. Candidates with the skills, experience, diversity and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with the Company's constitution, but must stand for election by shareholders at the next annual general meeting. Appropriate background checks will be conducted on any proposed candidates and security holders will be provided with the material information relevant to a decision on whether or not to elect or re-elect a director.

Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

Directors must retire from office in accordance with the constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the chairperson of the Board will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). The Board (excluding the chairperson), will conduct the review of the chairperson.

The term of service of Directors will be reviewed by the Board at least annually, with a view to rotating and renewing Directors periodically, but without losing the continuity of experience and knowledge gained by the Board as a whole.

5.3 Independence

All directors - whether independent or not - should bring an independent judgement to bear on all Board decisions.

A director is considered independent by the Company if the director is free of any interest, position or relationship that might influence, or be reasonably perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

A director who:

- (a) is, or has been, employed in an executive capacity by the Company, or another group member, and there has not been a period of at least three years between ceasing that employment and serving on the Board;
- (b) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
- (c) 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 Company or other group member, or is an officer of, or otherwise associated with, someone with such a relationship;
- (d) is, represents, or has been within the last three years an officer or employee of, or a professional adviser to, a substantial security holder of the Company;
- (e) has close personal ties with any person who falls within any of the categories described above; or
- (f) has been a director of the Company for such a period that their independence from management and substantial holders may have been compromised,

will not be considered to be independent, unless it is clear that the interest, position or relationship in question is not material and will not interfere with 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 as a whole rather than in the interests of an individual security holder or other party.

The Board will regularly assess the independence of each director in light of the interests disclosed by them. That assessment will be made at least annually at, or around the time, that the Board considers candidates for election or re-election to the Board. Each independent director must provide the Board with all relevant information for this. The outcome of this assessment will be reflected in the Company's corporate governance statement or the corporate governance section of the annual report (whichever is applicable).

If the Board determines that a director's independent status has changed, that determination will be disclosed to the market in a timely fashion.

5.4 **Conduct of individual directors**

Directors must at all times act in accordance with legal and statutory requirements, and discharge all their duties as directors. Directors must:

- (a) act at all times with honesty and integrity and observe the highest standards of ethical behaviour;
- (b) discharge their duties in good faith and in the best interests of the Company and for a proper purpose;
- (c) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company, including applying an independent and enquiring mind to their responsibilities;
- (d) avoid conflicts of interest except in those circumstances permitted by the *Corporations Act 2001 (Cth)*;
- (e) not make improper use of information gained through their position as a director;
- (f) not take improper advantage of their position as a director;
- (g) notify other directors of a material personal interest when a conflict arises;
- (h) make reasonable enquiries if relying on information or advice provided by others;

- (i) undertake any necessary inquiries in respect of delegates;
- (j) give the Company or ASX Limited all the information required by the *Corporations Act 2001 (Cth)*; and
- (k) not permit the Company to engage in insolvent trading.

6 Board process

6.1 Meetings

All Board meetings will be conducted in accordance with the Company's constitution and the *Corporations Act 2001 (Cth)*.

Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.

Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

All directors are generally expected to prepare adequately, attend and participate at each Board meeting. All directors should actively consider the sufficiency of the contents of the board papers that they have been provided for consideration. The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.

Non-executive directors will periodically meet without executive directors or management present.

The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.

The Board may conduct meetings by telephone or video conference.

6.2 Independent professional advice

Following consultation with the chairperson, directors may seek independent professional advice at the Company's expense (including when they judge such advice necessary for them to discharge their responsibilities as directors). Generally, this advice will be available to all directors.

6.3 Access to management

The directors have complete and open access to management following consultation with the chairperson and CEO.

7 Review and publication of charter

The Board is responsible for reviewing this charter and the division of functions and responsibilities in the Company to determine its appropriateness to the needs of the Company from time to time. The charter may be amended by resolution of the Board.

The charter is available on the Company's website.

Approved by the Board on 26 May 2020

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