

## **Board Charter**

**Elanor Investors Group comprising Elanor Investors Limited (ABN 33 169 308 187) and Elanor Funds Management Limited (ABN 39 125 903 031, Australian Financial Services Licence Number 398196) as Responsible Entity of Elanor Investment Fund (ARSN 169 450 926) (together the “Group”)**

### **1. Role of the Board**

This Board Charter sets out the principles for the operation of the Board of Directors of the Group and describes the functions of the Board and those functions delegated to management of the Group.

The Board is accountable to securityholders for the performance of the Group. The Board must at all times act honestly, fairly and diligently in all respects in accordance with the laws applicable to the Group and must act in the best interests of the securityholders of the Group and other stakeholders.

This Board Charter and the charters adopted by the Board for the Committees established by the Board have been prepared and adopted on the basis that corporate governance and good governance procedures can add to the performance of the Group and the creation of securityholder value.

### **2. Responsibilities of the Board**

#### **2.1 Board responsibilities**

The Board is responsible for the management of the affairs of the Group, including:

- (a) Strategic and financial performance
  - Developing and approving the corporate strategy and monitoring implementation of strategy.
  - Evaluating, approving and monitoring the strategic and financial plans of the Group.
  - Evaluating, approving and monitoring the annual budgets (including financial and other reporting) and business plans.
  - Evaluating, approving and monitoring the progress of major capital expenditure, capital management and all major corporate transactions, including the issue of securities of the Group.
  - Appointment of the Chairperson of the Group.
- (b) Executive management
  - Appointing, monitoring, managing the performance of, and if necessary terminating the employment of the Chief Executive Officer and Senior Executives. The Board will consider the Chief Executive Officer's and Senior Executives' authorities and accountabilities, as well as objectives and performance indicators to provide monitoring benchmarks.

- Managing succession planning for the positions of Chief Executive Officer and such other key management positions which may be identified from time to time.
- Liaising with the Chief Executive Officer in relation to the appointment and termination of such key management positions which may be identified from time to time.
- Ensuring appropriate resources are available to the Chief Executive Officer and Senior Executives.

(c) Audit and risk management

- Reviewing, ratifying and monitoring the Group's risk and audit framework, (including but not limited to) systems of risk management and internal control. Reviewing, ratifying and monitoring compliance with the Group's risk and audit policies and protocols.
- Reviewing, ratifying and monitoring the Group's operations in relation to, and compliance with relevant regulatory and legal requirements.
- The Board will, before it approves the Group's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the Group have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

(d) Strategic planning

- The Board will be actively and regularly involved in strategic planning and reviewing, developing and considering strategic planning issues.
- Strategic planning will be based on the identification of opportunities and the full range of business risks that will determine which of those opportunities are most worth pursuing.
- The Board will, on an ongoing basis, review with management how the strategic environment is changing, what key business risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted.

(e) Corporate governance

- The Board must review and approve all disclosures related to any departures from the ASX principles of good corporate governance.
- The Board must review and approve the disclosure of any of the Group's policies and procedures to the general public.
- The Board will supervise the public disclosure of all matters that the ASX best practice recommendations recommend be publicly

disclosed consistent with the Continuous Disclosure Policy approved by the Board.

- The Board will establish and monitor performance and reporting of Committees of the Board.
- Appointment of Directors to Committees established by the Board.
- The Board will approve and monitor delegations of authority.

### **3. Structure of the Board**

#### **3.1 Overview**

The Board determines the size and composition of the Board subject to the terms of the Constitution of the Group. A majority of the Board should be independent directors, unless the Board considers an alternative composition to be appropriate.

The Directors appoint the Chairperson of the Board who must be one of the non-executive Directors who is independent, unless the Board considers an executive Director who is not independent to be appropriate. The Chief Executive Officer is to be an executive Director.

#### **3.2 Board skills matrix**

It is intended that the Board should comprise a mix of Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Group.

#### **3.3 Directors**

Each Director is bound by all the Group charters, policies and codes of conduct, including the:

- Code of Conduct;
- Securities Trading Policy; and
- Continuous Disclosure Policy.

The Directors of the Group shall:

- (a) conduct their duties at a high level of honesty and integrity;
- (b) observe the law and comply with applicable standards;
- (c) maintain the confidentiality of all information acquired in the course of conducting the role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board, or is required by law or by the ASX Listing Rules;
- (d) observe the principles of independence, accuracy and integrity in dealings with the Board, Board Committees, internal and external auditors and senior management within the Group;
- (e) disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature of, which the Director becomes aware of and which the

Director reasonably believes may compromise the reputation or performance of the Group; and

- (f) set a standard of honesty, fairness, integrity, diligence and competency in respect of the position of Director.

#### **4. Statement of the division of authority between the Chairperson and Chief Executive Officer**

##### **4.1 Objective**

The Group recognises that it is important that the Chairperson and the Chief Executive Officer have defined roles in the organisation and function in accordance with clear functional lines.

##### **4.2 Role of the Group Chairperson**

The Group has appointed an independent Chairperson. The Chairperson, as appointed from time to time, will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Group.

##### **4.3 Specific duties of the Chairperson**

The Chairperson will:

- (a) chair Board meetings;
- (b) establish the agenda for Board meetings, in consultation with the Chief Executive Officer and Company Secretary;
- (c) chair meetings of members, including the annual general meeting of the Group;
- (d) be the primary channel of communication and point of contact between the Board (and the Directors) and the Chief Executive Officer;
- (e) provide guidance to the Chief Executive Officer;
- (f) chair the Chief Executive Officer evaluation process by the Board; and
- (g) be an independent non-executive Director.

##### **4.4 Role and responsibilities of the Chief Executive Officer**

The Chief Executive Officer has primary responsibility to the Board for the affairs of the Group. The Chief Executive Officer will:

- (a) develop with the Board, implement and monitor the strategic and financial plans for the Group, its policies, the annual budgets and business plans, major capital expenditure, capital management and all major corporate transactions, including the issue of any securities of the Group;
- (b) manage the appointment of senior executive positions;
- (c) develop, implement and monitor the Group's risk and audit management framework;

- (d) consult with the Chairperson and the Company Secretary in relation to establishing the agenda for Board meetings as well as all matters of significance where it is appropriate to do so;
- (e) in consultation with the Company Secretary consider and approve all disclosures of information to the ASX in accordance with the Continuous Disclosure Policy of the Group;
- (f) be the primary channel of communication and point of contact between the executive management and the Board (and the Directors);
- (g) keep the Chairperson fully informed of all material matters which may be relevant to the Board, in their capacity as Directors of the Group;
- (h) provide strong leadership to, and effective management of, the Group;
- (i) ensure that the Group has regard to the interests of employees and customers of the Group and the community and environment in which the Group operates; and
- (j) otherwise carry out the day to day management of the Group.

## **5. Delegation to CEO and management**

The Board has delegated to the Chief Executive Officer the authority to manage the day to day affairs of the Group and the authority to control the affairs of the Group in relation to all matters other than those responsibilities reserved to itself in this Charter.

The Board may impose further specific limits on Chief Executive Officer delegations. These delegations of authority will be maintained by the Company Secretary and reviewed by the Board as appropriate from time to time.

The Chief Executive Officer has authority to sub-delegate to the senior management team.

## **6. Roles and responsibilities of the Company Secretary**

The Company Secretary will:

- (a) advise the Board and its committees on governance matters;
- (b) monitor that Board and committee policy and procedures are followed;
- (c) co-ordinate the timely completion and despatch of Board and committee papers;
- (d) ensure that the business at Board and committee meetings is accurately captured in the minutes; and
- (e) help to organise and facilitate the induction and professional development of Directors.

Each Director may communicate directly with the Company Secretary and vice versa.

A decision to appoint or remove the Company Secretary should be made or approved by the Board. The appointment of the Company Secretary will be by formal resolution, rather than simple approval, by the Board.

## **7. Roles and responsibilities of management**

Management will:

- (a) implement the strategic objectives and operate within the risk appetite set by the Board and for all other aspects of the day-to-day running of the Group; and
- (b) provide the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.

## **8. Confidential Information**

The Board has established the following principles to apply in respect of information of the Group:

- (a) the Board will approve the nature of any information to be disclosed to any third party and the manner in which such information can be disclosed; and
- (b) all Directors, including any Directors nominated by a securityholder, are required to keep all information provided to them in their capacity as a Director confidential.

## **9. Conflicts of interest**

The Directors of the Group are required to act in a manner which is consistent with the best interests of the Group as a whole free of conflicts of interest.

If a Director considers that he or she might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any associated person, or his or her duties to any other Group, on the one hand, and the interests of the Group or his or her duties to the Group, on the other hand, the Board requires that the Director:

- (a) fully and frankly informs the Board about the circumstances giving rise to the actual or potential conflict; and
- (b) if such conflict is a material personal interest, abstains from voting on any motion relating to the matter and absenting himself or herself from all Board deliberations relating to the matter including receipt of Board papers bearing on the matter.

If a Director believes that he or she may have a conflict of interest or duty in relation to a particular matter, the Director should immediately consult with the Chairperson.

Directors are expected to inform the Chairperson of any proposed appointment to the Board or executive of another company as soon as practicable.

## **10. Meetings**

### **10.1 Overview**

The Board will ordinarily meet not less than 11 times formally per annum and as frequently as may otherwise be required to deal with urgent matters.

The Chairperson in conjunction with the Chief Executive Officer should ensure the availability and, if necessary, the attendance at the relevant meeting, of any member of

executive management responsible for a matter included as an agenda item at the relevant meeting.

## **10.2 Agenda**

An agenda will be prepared for each Board and Committee meeting. The agenda will be prepared by the Company Secretary in consultation with the Chairperson and the Chief Executive Officer.

The following items will be standing items on the agenda unless otherwise determined by the Chairperson:

- (a) approval of minutes of previous meeting;
- (b) report by the Chief Executive Officer; and
- (c) report of the Company Secretary on continuous disclosure.

## **11. Board committees**

In order to fulfil its duties, the Board may from time to time establish Committees of Directors, a sole Director and/or such other persons as they think fit and may revoke that delegation accordingly from time to time.

The Board will consider and approve the charters of the Committees it establishes from time to time. These charters will identify the areas in which the Board will be assisted by each respective Committee.

## **12. Independent advice**

Subject to Board approval, a Director of the Group is entitled to seek independent professional advice at the Group's expense on any matter connected with the discharge of his or her responsibilities. Any advice received shall be circulated to the Board of Directors.

## **13. Remuneration**

The level of non-executive Director remuneration will be set by the Board and is subject to any Listing Rule or Corporations Act requirements.

## **14. Performance review**

The Board undertakes ongoing self assessment and review of the performance of the Board, Committees and individual Directors annually. This is to ensure that the Board and their Committees are operating effectively.

The Group's goals for the year will be set out in the Group's Annual Report and these are used as the basis for evaluating performance of senior executives. Performance evaluations are undertaken annually, in June, by the Chief Executive Officer. The Chief Executive Officer's performance evaluation is also undertaken annually, in June, by the Board.

## **15. Induction and continuing professional development**

The Group has induction procedures in place to allow new Directors to gain an understanding of the Group (including its culture and values) and their rights, duties and responsibilities, the roles and responsibilities of senior executives, the role of Board Committees, and meeting arrangements and Director interaction.

The Group will provide appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.

**16. Nomination and election**

In considering any selection, appointment or re-appointment to the Board, the Board will consider the necessary and desirable competencies of any Directors or proposed Directors.

The Board will ensure that the Group undertakes appropriate checks before appointing a person, or putting forward to securityholders a candidate for election, as a Director. The Board will ensure that the Group provides securityholders all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

**17. Continuous Disclosure**

The Board has adopted a policy related to the continuous disclosure obligations of the Group under the ASX Listing Rules. The Company Secretary will oversee the implementation of that policy and the Board will consider continuous disclosure as a standing item at Board meetings.

**18. Communication of Information**

The Board will:

- (a) communicate effectively with securityholders;
- (b) give securityholders ready access to relevant and timely information about the Group; and
- (c) make it feasible for securityholders to participate in general meetings.

**19. Code of Conduct**

The Board has adopted a Code of Conduct for Directors, Senior Executives and employees. The aim of the Code of Conduct is to ensure a high standard of business conduct.

**20. Independence**

When determining whether a director will be considered an independent director, the Board should consider if the director:

- (a) is a substantial securityholder of the Group, being a securityholder who holds 5% or more of the issued voting securities of the Group, or an officer of or otherwise associated directly with a substantial securityholder of the Group;
- (b) is employed or has previously been employed as an executive of the Group and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- (c) has within the last three years been a principal of a material professional adviser or consultant to the Group;
- (d) is a material supplier, customer or other contractor of the Group or has a material contractual relationship with the Group other than as a director; and
- (e) should otherwise be considered by the Board to not be independent.