

## **BOARD CHARTER**

### **1. PURPOSE**

This document sets out the key roles and responsibilities of the Board of Windlab Limited ACN 104 461 958 (**Company**).

### **2. KEY ROLES AND RESPONSIBILITIES**

#### **2.1 Key roles of the Board**

The Board is committed to:

- (a) protecting the interests of the Company, its shareholders and other stakeholders in the Company (such as employees and business partners, those who may benefit from technology and services developed by the Company, and the community as a whole);
- (b) promoting and maintaining a culture of good corporate governance and structures to facilitate the growth of the Company while managing risks and being accountable to stakeholders;
- (c) attracting and supporting a team with an appropriate and diverse blend of qualifications, skills, background and knowledge;
- (d) acting efficiently, honestly and fairly;
- (e) acting in accordance with all applicable laws and regulations; and
- (f) fulfilling the objectives and purposes set out in section 3 of this Charter

#### **2.2 Key responsibilities of the Board**

The key responsibilities of the Board are:

- (a) overseeing the business and strategic direction of the Company in order to maximise sustainable performance and generate appropriate levels of shareholder return;
- (b) appointing, evaluating and removing the CEO and Chairman (and where applicable the Senior Independent Director), and, where appropriate, ratifying the appointment and removal of senior executives;
- (c) establishing reviewing, ratifying and monitoring systems of internal controls, risk management and legal compliance;
- (d) reviewing the performance and implementation of corporate strategies and risk management by senior management and ensuring that senior management have the necessary resources to carry out their functions;
- (e) approving and supervising significant capital expenditure, capital management, acquisitions and divestments;
- (f) approving and monitoring annual budgets and strategic plans;
- (g) approving and monitoring financial and other reporting made to shareholders and the ASX under the continuous disclosure regime; and
- (h) fulfilling the responsibilities set out in Section 4 of this Charter.

### 2.3 Reserved matters

In addition to matters expressly required by law to be approved by the Board, the powers reserved for the Board are as follows:

- (a) appointing the Chairman (and where applicable the Senior Independent Director);
- (b) appointing and removing the CEO and determining his or her terms and conditions of service;
- (c) approving the appointment of the Chief Financial Officer and Company Secretary;
- (d) any changes to the delegations by the Board;
- (e) any matters in excess of the discretion that it delegates to the CEO and senior management in relation to business transactions, credit transactions, risk limits and expenditure;
- (f) the issue of any shares, options, equity instruments or other securities in the Company;
- (g) establishment of any incentive plan for Company officers and employees;
- (h) approving each of the following:
  - (i) the budget and strategic plan - at least annually;
  - (ii) the annual and half year results and reports;
  - (iii) information pertaining to the company's continuous disclosure obligations;
  - (iv) the remuneration and conditions of service including financial incentives for the direct reports to the CEO as recommended by the Remuneration Committee - at least annually;
  - (v) significant changes to organisational structure and the appointment of senior officers as the Board may determine;
  - (vi) the acquisition, establishment, disposal or cessation of any significant business; and
  - (vii) compliance policies;
- (i) reviewing and approving the remuneration of the non-executive directors; and
- (j) any other specific matter nominated by the Board from time to time.

### 3. OBJECTIVES AND PURPOSE - NOMINATIONS

The primary objective of the Board in relation to nominations is to discharge its responsibilities with regard to the following areas:

- (a) overseeing the composition of the Board and competencies of Board members;
- (b) providing recommendations of appointment and evaluation of the Chief Executive Officer;
- (c) ensuring that appropriate procedures exist to assess the performance levels of the Non-executive Directors and Executive Directors; and
- (d) developing succession plans for the Board and overseeing development by management of succession planning for senior executives.

## 4. RESPONSIBILITIES - NOMINATIONS

The Committee's responsibilities in relation to nominations include:

- (a) reviewing management succession planning for the Company in general, but specifically in regard to the Chief Executive Officer and senior executives reporting to the Chief Executive Officer;
- (b) reviewing the appointments and terminations to senior executive positions reporting to the Chief Executive Officer;
- (c) reviewing the appointment of Non- executive directors, including:
  - (i) periodically assessing the appropriate mix of skills, experience, expertise and diversity required on the Board and assessing the extent to which the required skills are represented on the Board;
  - (ii) implementing strategies to promote diversity at Board level and in the Company as a whole;
  - (iii) establishing processes for the identification of suitable candidates for appointment to the Board;
  - (iv) monitoring the length of service of current Board members, considering succession planning issues and identifying the likely order of retirement by rotation of non-executive directors; and
  - (v) establishing processes for the review of the performance of individual non-executive directors, the Board as a whole and the operation of Board committees;
- (d) developing a skills matrix to help with the identification of the skills of the Board in order to achieve the objective set out in section 5(c)(i) with respect to all directors; and
- (e) developing and implementing a program for inducting new directors including providing professional development opportunities for directors to develop and maintain the skills and professional knowledge needed to perform their roles effectively.

## 5. PROCEDURE AND POLICY FOR SELECTION AND APPOINTMENT OF NEW DIRECTORS AND THE RE-ELECTION OF INCUMBENT DIRECTORS

### 5.1 Retirement and re-election

- (a) Before a director is required to retire by rotation the Board will ascertain whether he or she wishes to seek re-election and will consider relevant issues regarding the current position of the Company as well as the intended future direction of the Company in order to determine whether or not to recommend that the director be re-elected.
- (b) If the Board does decide to recommend the re-election of the incumbent director the Board should:
  - (i) consider whether an additional director should be appointed who may be able to provide additional specialist knowledge or experience of value to the Company;
  - (ii) undertake appropriate checks before appointing a new director or putting forward a new candidate for election as a new director; and
  - (iii) provide security holders with all material information in its possession relevant to a decision on whether or not to elect a new director.

## 5.2 Appointment of additional director

If the Board determines that an additional director should be appointed to the Board, or a new director to replace an outgoing director, the Board should:

- (a) consider whether an external executive search firm should be engaged in order to assist with the process of establishing criteria which the incoming director must satisfy and to identify potential candidates;
- (b) undertake appropriate checks before approaching a new director or putting forward a candidate for election as a new director; and
- (c) provide security holders with all material information in its possession relevant to a decision on whether or not to elect a new director.

## 5.3 Considerations

When considering the re-election of an incumbent director or election of a new director the Board may take into account some of the following non-exhaustive list:

- (a) business experience, particularly in respect of the industries in which the Company operates;
- (b) standing in the community;
- (c) educational qualifications;
- (d) availability and other directorships;
- (e) the possession of particular skills such as software development, information technology, innovation, finance, marketing or risk management; and
- (f) whether the appointment or re-appointment will contribute positively to the skill set and experience of the Board as a whole.

## 6. BOARD DIVERSITY

- (a) The Board must consider the Company's Diversity Policy when considering new candidates for nomination to the Board.
- (b) The Board is responsible for periodically reviewing:
  - (i) the Company's Diversity Policy; and
  - (ii) the relative proportion of men and women at all levels of the Company.
- (c) The Board will implement and monitor the implementation of the Company's Diversity Policy.

## 7. BOARD MEMBERSHIP

### 7.1 Composition and Size

- (a) The Board is appointed in accordance with the Company's constitution.
- (b) It is intended that a majority of the directors be independent. The Board will regularly review the independence of each non-executive director. In assessing independence, the Company will have regard to the factors listed in Box 2.3 of the Corporate Governance Principles and Recommendations (3<sup>rd</sup> edition) published by the ASX Corporate Governance Council.
- (c) The Board, together with the Remuneration Committee, will:

- (i) determine the composition and size of the Board, subject to the Company's constitution; and
  - (ii) review the skills represented by directors and determine whether the composition and mix of those skills remain appropriate for the Company's strategy.
- (d) The Board, its committees and the directors will undergo periodic performance reviews in accordance with Attachment 1.
- (e) The Board has not adopted a policy on tenure.

## 7.2 Chairman

- (a) The Chairman is responsible for leadership of the Board and "setting the tone" for an effective working relationship between Board members, and between the Board and management. This includes:
- (i) chairing meetings of the Board and of shareholders;
  - (ii) settling the agenda for Board meetings after consulting with the CEO;
  - (iii) facilitating Board discussions to ensure that appropriate time is given to core issues and that individual directors have adequate opportunity to participate in discussions;
  - (iv) leading the process for reviewing periodically the performance of the Board overall as well as the effectiveness of individual contributions; and
  - (v) maintaining effective communication with and providing mentoring and guidance to the CEO.

## 7.3 Senior independent director

- (a) Where the Chairman is an executive Chairman or has an interest, position or relationship with the Company, (including where the Chairman is employed in an executive capacity by the Company), the Board will assess that interest, position or relationship to determine whether it might interfere, or might reasonably be seen to interfere with the Chairman's capacity to bring an independent judgment to bear on issues before the board and to act in the best interests of the Company and its security holders generally.
- (b) Where the Board determines that the Chairman is conflicted, the Board will appoint a senior independent director (**Senior Independent Director**) to fulfil the role of Chairman whilst any conflict persists. In such instance, all references in this Charter to the Chairman will be read as references to the Senior Independent Director.

## 7.4 Company Secretary

- (a) The Company Secretary is appointed and removed by the Board. All Directors have direct access to the Company Secretary.
- (b) The Company Secretary will be accountable to the Board, through the Chairman, on matters to do with the proper functioning of the Board. The Company Secretary is responsible for advising the Board and its committees on governance issues.
- (c) The Company Secretary is responsible for the co-ordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, communication with the ASX about listing rule matters and all statutory and other filings.

## 7.5 Meetings

- (a) The Company's constitution governs the regulation of Board meetings.

- (b) The Board will meet regularly and directors will use their reasonable endeavours to attend Board meetings in person.
- (c) Non-executive directors may, and will periodically, meet without executive directors or management present.

## **8. DELEGATION**

### **8.1 Committees**

The Board may from time to time establish committees to assist in the discharge of its responsibilities. As at the date of this Charter, the Board has established:

- (a) an Audit and Risk Committee, which is responsible for overseeing the external and internal auditing of the Company's activities; and
- (b) a Remuneration Committee, which is responsible for making recommendations to the Board on remuneration packages for senior executives, senior Managers and executive Directors; and for making recommendations to the Board on the composition of the Board and appointment and evaluation of the CEO.

### **8.2 CEO**

- (a) The Board has appointed a CEO who has responsibility for the overall operational, business and profit performance of the Company.
- (b) The CEO manages the Company in accordance with the strategy, plans and policies approved by the Board from time to time.

## **9. INDEPENDENT PROFESSIONAL ADVICE TO DIRECTORS**

- (a) Each director may obtain legal or other professional advice relevant to the performance of his or her duties as a director of the Company at the Company's expense provided the director:
  - (i) informs the Chairman of the reason for seeking advice, of the name and qualifications of the advisor from whom the advice will be sought, and of the estimated cost of the advice; and
  - (ii) obtains the prior written consent of the Chairman (which will not be unreasonably withheld) to the director obtaining the advice at the Company's expense. The Chairman must inform the other directors or any such request for consent as soon as possible.
- (b) The details or copies of the advice so obtained must be provided to the Board as soon as possible after the advice is obtained unless the Chairman has agreed that the advice obtained is personal to the Director's specific lawful performance, duties and/or responsibilities as a director.

## **10. REVIEW**

The Board will periodically evaluate its performance, the performance of its committees, the Chair, and the key governance processes that support the Board's work. This evaluation will

- compare the Board's and the board Committee's performance with the requirements of the Board or Committee Charter;
- assess the effectiveness of board and committee meetings; and
- review the composition of the Board and its Committee's.

**Adopted by the Board of Windlab Limited**  
22 June 2017

**Attachment 1 – Performance review process**

- (a) The Board must agree on performance evaluation criteria for itself (**Board Evaluation Criteria**) and each committee of the board (**Committee Evaluation Criteria**);
- (b) At least once each financial year, the:
  - (i) Directors must evaluate the Board and its committees against the Board Evaluation Criteria;
  - (ii) members of each committee must evaluate the relevant committee against the relevant Committee Evaluation Criteria;
  - (iii) the CEO will obtain feedback from senior management in relation to matters relevant to the Board's performance against the Board Evaluation Criteria;
- (c) The Chairman or Senior Independent Director will collate and evaluations for discussion by the Board. The Board will determine what actions (if any) must be taken to improve the performance of the Board and each committee;
- (d) The Board may engage advisers to assist with the implementation of this performance review process.