



Board Charter

1. Introduction

- 1.1 This is the Charter of the Board of Directors of Asaleo Care Limited ACN 154 461 300 (Company and, together with its controlled entities, the Group).
- 1.2 The Board of Directors of the Company (Board) is responsible for the corporate governance of the Group.
- 1.3 The purpose of this Charter is to:
 - (a) promote high standards of corporate governance;
 - (b) clarify the role and responsibilities of the Board; and
 - (c) enable the Board to provide strategic guidance for the Group and effective oversight of the management of the Group (Management).
- 1.4 This Charter is supported by the Group's Code of Conduct, the Charters for the Board's Nomination and Governance Committee, Remuneration and Human Resources Committee and the Audit and Risk Committee, and the Group's policies in respect of securities trading, continuous disclosure and diversity, among other things.
- 1.5 To the extent that there is any inconsistency between this Charter and the Company's Constitution, the Constitution will prevail to the extent of that inconsistency.

2. Board size, composition and independence

- 2.1 There must be a minimum of four Directors and the current maximum number of Directors is eight.
- 2.2 An independent Non-Executive Director is one who:
 - (a) is independent of Management;
 - (b) is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their unfettered and independent judgment; and
 - (c) otherwise meets the criteria for 'independence' as set out in the *Corporate Governance Principles and Recommendations (3rd edition)* published by the ASX Corporate Governance Council.
- 2.3 The Board should ideally comprise:
 - (a) a majority of independent Non-Executive Directors (if the Board is comprised of an equal number of Independent and non-independent Directors, the Chairperson shall have a second or casting vote at meetings of the Board);
 - (b) Directors with an appropriate range of skills, experience and expertise;

- (c) Directors who can understand and competently deal with current and emerging business issues; and
 - (d) Directors who can effectively review and challenge the performance of Management and exercise independent judgment.
- 2.4 The Board will periodically review the skills and knowledge of Directors to determine if professional development activity is required for directors individually, or collectively, to perform their role and carry out their duties effectively.
- 2.5 The Board will regularly assess whether each Non-Executive Director is independent. Each Non-Executive Director must provide to the Board all information relevant to his or her assessment in this regard and must immediately advise the Board of any changed circumstances which may affect their status. If a Director's independent status changes, it will be explained in a timely manner to the market.
- 2.6 Each Director will be appointed by way of a formal letter of appointment.

3. The Board's role and responsibilities

- 3.1 The Board must act in the best interests of the Company as a whole and is accountable to the shareholders for the overall direction, Management and corporate governance of the Group.
- 3.2 The Board's responsibilities include:
- (a) overseeing the Group, including providing and demonstrating leadership;
 - (b) appointing the Chairperson;
 - (c) appointing and removing the Chief Executive Officer of the Group (CEO) and approving or ratifying the appointment of the Chief Financial Officer (CFO) and the Company Secretary;
 - (d) approving the remuneration framework and remuneration policies and practices for CEO and executive CEO direct reports as developed by the Remuneration and Human Resources Committee;
 - (e) approving actual total remuneration of the CEO and CFO and any changes thereto;
 - (f) approving the assessment by the Remuneration and Human Resources Committee of any award to senior executives pursuant to any executive incentive plan;
 - (g) defining the Company's purpose, setting and implementing strategic objectives, and ensuring that appropriate resources are available;
 - (h) satisfying itself that the Company's Remuneration Policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
 - (i) overseeing management in its implementation of the Company's business model, achievement of its strategic objectives, instilling of the Company's values and performance generally
 - (j) approving the annual budget;
 - (k) determining and financing dividend payments;
 - (l) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
 - (m) satisfying itself as to the appropriateness of the Group's corporate, financial and other reporting systems, including external audit, and overseeing their integrity;

- (n) Satisfying itself that an appropriate framework is in place for relevant information to be reported by management to the Board.
 - (o) approving any related party transaction;
 - (p) Satisfying itself as to the appropriateness of risk management, delegation of authority and legal compliance frameworks and controls;
 - (q) setting the risk appetite within which the Board expects Management to operate;
 - (r) reviewing performance, operations and compliance reports from Management, including reports and updates on strategic issues and risk management matters and challenging and holding management to account as required;
 - (s) overseeing the Group's continuous disclosure policy and procedures;
 - (t) approving and reviewing the Company's Code of Conduct and core values to underpin desired outcome;
 - (u) approving the Charters of the various Board Committees;
 - (v) monitoring and ensuring compliance with all legal and regulatory requirements and ethical standards and policies and otherwise monitoring the effectiveness of the Group's governance practices; and
 - (w) any other responsibilities determined by the Board from time to time.
- 3.3 In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director or other person, subject to ultimate responsibility residing with the Directors.
- 3.4 The matters specifically reserved for the Board or its Committees (as relevant) include:
- (a) appointment of a Chairperson;
 - (b) appointment and removal of the CEO;
 - (c) appointment of a Director to fill a casual vacancy or as an additional Director;
 - (d) establishment of Board Committees, their membership and delegated authorities;
 - (e) approval of dividends;
 - (f) review of corporate codes of conduct;
 - (g) approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to Management;
 - (h) calling of meetings of Directors or shareholders; and
 - (i) any other specific matters nominated by the Board from time to time.

4. Board Committees

- 4.1 The Board has established the following Committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:
- (a) Audit and Risk Committee;
 - (b) Remuneration and Human Resources Committee; and
 - (c) Nomination and Governance Committee

- 4.2 The Charter of each Board Committee setting out matters relevant to the composition, responsibilities and administration of the Committee must be approved by the Board. Each Committee will review its Charter from time to time as appropriate.

5. Chairperson

- 5.1 The Board will appoint one of its members to be Chairperson.
- 5.2 The Chairperson must be an independent Non-Executive Director.
- 5.3 The Chairperson represents the Board and is responsible for leading the Board, facilitating the effective contribution of all Directors, promoting constructive and respectful relations between Directors and between the Board and Management, and communicating the Board's position to shareholders and the public.
- 5.4 The Chairperson will be responsible for approving Board agendas and ensuring adequate time is allowed for all items including strategic issues.

6. CEO and Executive Team

- 6.1 The CEO is appointed by the Board.
- 6.2 Responsibility for day-to-day management and administration of the Group is delegated by the Board to the CEO. The CEO will in turn delegate authority to the Executive Team.
- 6.3 The CEO manages the Group in accordance with the strategy, plans and policies approved by the Board.
- 6.4 The responsibilities of the CEO include, among other things:
- (a) developing and recommending to the Board: strategies, business plans and annual budgets for the Group;
 - (b) implementing the strategies, business plans and budgets adopted by the Board;
 - (c) providing effective leadership, direction and supervision of the Executive Team to achieve the strategies, business plans and budgets adopted by the Board;
 - (d) ensuring compliance with all applicable laws and regulations;
 - (e) ensuring that the Board is given sufficient information in a form, timeframe and quality that will allow it to be effective in performing its functions, setting strategies, monitoring performance and discharging its duties; and
 - (f) acting within authority delegated by the Board.
 - (g) instilling and reinforcing the Company's values and operating within values, Code of Conduct, budget and risk appetite set by the Board.
- 6.5 The Board has in place procedures to assess the performance of the CEO and Executive Team.
- 6.6 The Board will annually review and evaluate the performance of the CEO.

7. Non-Executive Directors

Non-Executive Directors (unless such Director is conflicted with respect to the matter) will confer regularly without Management being present.

8. Company Secretary

The Company Secretary is directly accountable to the Board, through the Chairperson on all matters to do with the proper functioning of the Board.

9. Conflicts

9.1 Directors must:

- (a) disclose to the Board any actual or potential conflict of interest or duty, or matter that may reasonably be thought to bear on their independence, as soon as the situation arises;
- (b) take all necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
- (c) comply with all applicable laws and the Company's constitution in relation to disclosing material personal interests and restrictions on voting.

9.2 If a conflict exists, it is expected that any Director to whom the conflict relates will excuse himself or herself when the Board is discussing any matter to which the conflict relates.

10. Other appointments

10.1 Directors must inform the Chairperson of the Board in writing of any proposed appointment as a Director or executive of another company as soon as practicable.

10.2 A Non-Executive Director must inform the Chairperson in writing before accepting any other position with a significant time commitment or which may conflict with or otherwise impact on their ability to carry out their duties.

10.3 The Chairperson will table all such notifications at the next scheduled meeting of Directors, for discussion.

11. Access to information and independent advice by Directors

11.1 Directors have access to any information that they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.

11.2 Directors have access to:

- (a) Management to seek explanations and information ; and
- (b) Auditors to seek explanations and information from them without Management being present.

11.3 Subject to prior approval from the Chairperson, (not to be unreasonably withheld), Directors may, at the expense of the Company, seek independent professional advice that they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the Directors.

11.4 Any such advice received will be provided to all Directors.

12. Size of the Board and Board vacancies

12.1 All Directors are expected to continue as Directors only for so long as they have the confidence of their fellow Board members and the confidence of the Company's shareholders.

- 12.2 In accordance with the Company's Constitution, no Director, except the CEO, is permitted to hold office for a continuous period in excess of three years or past the third Annual General Meeting following that Director's appointment, whichever is the longer, without submitting himself or herself for re-election.

13. Communication of information

The Board has adopted a communications strategy to facilitate and promote effective communication with all stakeholders and to encourage shareholder participation at general meetings.

14. Approved

This Charter was approved by the Board in December 2019.