

## **Board Charter**

### **Overview**

The Board is primarily responsible for the overall strategy, direction and corporate governance of Tian An Australia Limited and its related entities (**Company**). The Board's objective is to create successful outcomes for the benefit of the Company's stakeholders, including staff and Shareholders.

This Charter explains the Board's role, responsibilities, membership and conduct, and the areas of authority delegated to management. Meetings and proceedings of the Board will be governed by the provisions of the Company's Constitution.

### **Board Role and Responsibilities**

#### Board Responsibility

The Board has specifically reserved certain matters for its decision. The Board delegates to management, through the Chief Executive Officer, the power and authority to decide all other matters regarding the daily operations and management of the Company. The matters reserved for the Board are:

- considering and approving the strategy and annual business plan;
- adopting an annual budget and monitoring ongoing financial performance;
- ensuring that adequate controls are in place such that effective governance, risk management, workplace safety and audit programs are implemented;
- considering and approving transactions outside the annual budget;
- appointing, removing and reviewing the performance of the Chief Executive Officer;
- reviewing Board and executive succession planning and executive development activities;
- determining the membership and terms of reference of Board committees; and
- reviewing the performance of the Board and board committees.

The Board may delegate any powers to a Committee of the Board.

### **Delegation to Management**

It is the role of management to manage the activities of the Company in accordance with the direction and delegations of the Board. It is the Board's responsibility to oversee the activities of management in carrying out those delegated duties.

### **Conduct and Conflicts of Interest**

The Company is committed to maximising Shareholder value whilst also promoting Shareholder and general market confidence in the Company.

The Board has adopted a Directors' Code of Conduct which will help Directors, officers and employees understand the expectations on them to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Directors are required to, among other things:

- comply with the Director's Code of Conduct;
- avoid conflicts of interests between their personal interests and those of the Company;
- not take advantage of opportunities arising from their position for personal gain or in competition with the Company; and
- comply with the Company's securities dealing and other governance policies.

## **Committees**

The Board may establish and cease committees from time to time as it considers appropriate and may delegate any of its powers to those committees. The Board shall decide the composition, role and responsibilities of those committees, and shall adopt a Charter for each committee. As at the date of this Charter, the Board has established an audit committee.

The Board shall decide the membership of the committees annually.

## **Board Framework**

### Board Composition

The roles of Chair of the Board and Chief Executive Officer are separate. The composition of the Board is determined with reference to the Constitution with consideration of an appropriate mix of skills and experience that enables the Directors individually and the Board collectively, to:

- understand the business of the Company and the business environment in which it operates so as to be able to effectively review and challenge the performance of management and exercise independent judgement; and
- discharge their legal duties and responsibilities effectively and efficiently.

### New Directors

New Directors are educated about the Company, current issues and the corporate strategy through induction meetings with the Chair, the Chief Executive Officer and other members of management. All Directors receive a letter of appointment which sets out the key terms and conditions relating to the appointment, including:

- the term of the appointment, subject to Shareholder approval;
- the expectations of the Board in relation to preparation for and attendance at Board and committee meetings;
- the procedures for dealing with conflicts of interest;
- remuneration;
- confidentiality requirements and access to corporate information;
- disclosure obligations;
- the availability of independent professional advice; and
- indemnification and Directors' liability insurance.

### Independence

The Company has a majority of independent Directors.

The Board has adopted the following definition of an independent non-executive Director, as a non-executive Director who:

- does not hold, either directly or indirectly, more than 10% of the Company's total number of voting Shares;
- is not an officer or otherwise associated with a Shareholder holding more than 10% of the Company's voting Shares;
- has not, within the last three years, been employed in an executive capacity by the Company;
- has not, within the last three years, been a professional adviser or consultant to the Company, or associated with a professional adviser or consultant to the Company;
- is not a supplier or customer of the Company, or an officer or otherwise associated directly or indirectly with a supplier or customer of the Company;
- has no contractual relationship with the Company; or

- is free from any interest, business or other relationship which could, or could reasonably be perceived to, interfere with the Director's ability to act in the best interests of the Company.

Directors identified as independent are required to advise the Board and Company Secretary where circumstances arise where they no longer satisfy the requirements to be assessed as independent. In addition, the Board will regularly assess the independence of each non-executive Director.

#### Education and Development

Directors may, subject to prior approval from the Chair, undertake training and professional development, as appropriate, at the Company's expense.

#### Independent Professional Advice

Each Director has the right of access to all relevant information and to the Company's executives and, subject to prior approval from the Chair, may seek independent professional advice at the Company's expense.

### **Performance Review**

#### Board Review

The Board will undertake an annual performance assessment, of the Board as a whole, as well as individual Directors.

The Board shall agree the process for conducting the Board's annual performance review. The process shall include a questionnaire to all Directors which includes matters such as:

- Board's overall performance relative to its objectives;
- Board composition and structure, including mix of skills and expertise;
- Board processes to monitor business performance, compliance and risks;
- Interaction between Board members and the Board and management; and
- Performance and effectiveness of committees.

A written report of the results of the questionnaire, including recommendations where appropriate, will be presented and discussed by the Board.

#### Chief Executive Officer's Review

The non-executive Directors will undertake an annual performance assessment of the Chief Executive Officer. Performance shall be assessed against criteria to be agreed by the non-executive Directors.

The Chief Executive Officer shall present to the non-executive Directors a self-assessment of the Chief Executive Officer's own performance against the criteria. The criteria shall include, but not be limited to:

- Overall economic performance;
- Risk management, governance and compliance;
- Reputation and market share;
- Personnel management; and
- Performance against annual budget and strategy.

### **Access**

The Company's external auditors are not to be constrained from raising issues directly with the Board. Directors may seek further information on any issue, including requesting that a particular member of management present to the Board on performance, strategy or outlook for a particular business area or the Company as a whole.