



ELDERS LIMITED

BOARD CHARTER



DOCUMENT CONTROLS

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Objectives

The Board, as the representative of the Company's shareholders, is responsible for the overall corporate governance of the Company.

The Board's objectives are to govern in a way that:

- promotes, encourages and champions a positive safety culture and aims for an injury free workplace;
- encourages the observance of the Company's values;
- provides clear accountability;
- protects the rights and interests of shareholders and other stakeholders;
- provides for proper management of the company's assets;
- supports the achievement of the company's fiduciary, environmental, health, safety, social and other obligations;
- preserves and enhances the Company's reputation and standing in the community; and
- supports the achievement of shareholder value within a framework of appropriate risk assessment and management.

Responsibilities

The Board's main responsibilities are to:

- demonstrate leadership;
- approve the statement of values and code of conduct to underpin desired company culture;
- formulate collaboratively with management the Company's strategic direction and approve the strategic plan developed by management;
- oversee management's implementation of strategy and performance of the Company generally;
- oversee the audit, compliance and resilience (including risk management) policies, frameworks and functions of the Company and satisfy itself that they are appropriate;
- set the risk appetite within which it expects management to operate;
- satisfy itself that remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;

- approve the half year and full year financial statements and oversee the Company's financial reporting to ASX, ASIC and the Company's shareholders;
- approve the annual operating budget of the Company and monitor performance against that budget;
- approve and monitor the progress of all material acquisitions, divestments, contracts and capital expenditure;
- approve capital raisings (debt or equity), capital reductions, buy-backs and other material corporate actions by the Company;
- consider and make dividend determinations;
- consider the social, ethical and environmental impact of the Company's activities and operations and oversee the effectiveness of the Company's sustainability strategy and practices;
- oversee communication to the Company's shareholders and the investment community and monitor shareholder-relations generally;
- oversee the Company's process for making timely and balanced disclosure of all material information;
- set measurable objectives for diversity of the Company's Board and workforce;
- oversee the Company's employee-relations;
- review the performance of the Board as a whole, Board Committees and individual directors;
- compliance with the legal requirements of being a director;
- appoint and remove the Chief Executive and determine that person's remuneration and other benefits;
- monitor and assess the performance of the Chief Executive and the Company's executive team and, whenever required, challenge management and hold it to account;
- satisfy itself that an appropriate framework exists for relevant information to be reported by management to the Board; and
- monitor the effectiveness of the Company's governance framework.

Constitution

The Board is constituted by the Company's Constitution, under which it is vested with the power to manage the Company.

The Board may delegate certain of its powers to the Managing Director/Chief Executive ("Chief Executive"), Board committees, subsidiary boards and other persons (see "Delegation" section

below). Notwithstanding any such delegations, the Board retains ultimate responsibility for management of the Company. The Constitution shall govern the regulation of meetings and proceedings of the Board.

Composition

The Board shall have at least 3, but no more than 8, members.

The Board shall be comprised of a majority of independent directors. In determining whether or not a director is to be considered independent, the Board will have regard to the Director Independence Policy.

A Director must disclose material personal interest and any matter that does, or has the potential to, give rise to a conflict of interest or a conflict of duty as soon as the matter arises, in accordance with the Conflict of Interest and Conflict of Duty Policy.

The Board shall select and recommend candidates for election to the Board to shareholders, following consideration of recommendations made by the Nomination and Prudential Committee.

The Board shall be comprised of directors:

- who are financially literate;
- at least 1 of whom has formal accounting qualifications; and
- who, together, have an appropriate mix and depth of skills, experience and knowledge in order to meet the Board's responsibilities and objectives.

Upon appointment, new directors shall be given a detailed briefing by the Chair and/or his nominee(s) on key Board issues and be provided with appropriate background documentation. These issues shall include:

- the Company's financial, strategic, operational and risk management position;
- directors' rights, duties and responsibilities; and
- the role of the Board and the Board committees.

Formal letters of appointment of each director shall set out their responsibilities and key terms of engagement.

Term

All directors (except the Chief Executive) shall submit themselves for re-election in accordance with the Constitution, but at least at every third AGM.

Before a director is recommended for re-election, the Chair, either directly or via the Nomination and Prudential Committee, shall consult with the other directors regarding the

director's effectiveness. Based upon the outcome of these consultations, the Board shall then determine whether or not to recommend the director for re-election.

Chair

The Board shall appoint the Chair of the Board. The Chair must be an independent director. The Chair is responsible for:

- leadership of the Board;
- efficient organisation and conduct of the Board's function;
- approving Board agendas, ensuring that all relevant issues are on the agenda and that adequate time is allowed for discussion of all items;
- briefing of all directors on key issues;
- facilitating the effective contribution of all directors;
- guiding Board deliberations, free of bias; and
- promoting constructive and respectful relations between directors and between Board and management;
- publicly representing the Board's views to stakeholders;

Meetings

The Board must meet regularly, in accordance with a schedule agreed at the commencement of each financial year. Additional meetings will be called on a needs basis.

Any director can request a Board meeting through the Chair or Company Secretary.

The non-executive directors will also meet on their own, from time to time, to review the performance of management generally and discuss corporate governance issues on a needs basis.

Agenda

The Chair will review, with the Chief Executive, the agenda for each meeting prior to its issue to the Board.

Any director may require business to be included on the agenda. The director will first consult with the Chair with respect to that business.

The Board shall maintain and observe a rolling 12 month agenda to ensure that key governance issues and the Company's operations are reviewed on a regular, ongoing basis.

Attendance

The Chief Financial Officer is a permanent invitee to meetings. Other Company executives, External Auditors, Internal Auditors and other advisers, as the Chair thinks fit, may be invited to attend meetings.

No executive director may be present at a Board meeting during deliberations concerning their position unless otherwise agreed by the Board.

Secretary

The Company Secretary(s) is (are) appointed by the Board, will act as Secretary of the Board and must attend all meetings of the Board except when requested by the Board to absent himself or herself.

The Company Secretary is accountable to (and reports directly to) the Board (through the Chair if appropriate) on all matters to do with the proper functioning of the Board.

The role of the Company Secretary includes:

- advising the Board and its Committees on governance matters;
- monitoring and ensuring that Board policy and procedures are followed;
- co-ordinating preparation and finalisation of Board and Committee agendas and briefing materials;
- ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of Directors.

Minutes

Minutes of meetings of the Board must be prepared by the Company Secretary, reviewed by the Chief Executive, and provided to the Chair in draft ideally within five business days of the relevant meeting. The minutes will be circulated to the Directors and approved within one month of the date of the meeting.

Minutes of meetings of the Board must be confirmed at the next Board meeting and then signed by the Chair.

Minutes of meetings of any Committee of the Board are to be prepared by the Company Secretary, reviewed by relevant senior management, and provided to the relevant Committee Chair in draft within five business days. The minutes will be circulated to the Committee Members and approved within one month of the date of the meeting.

Minutes of meetings of a Committee of the Board must be confirmed at the next meeting of the relevant Committee and then signed by the Chair of that Committee.

Access to Information

Directors have access to the Company's management and Company information, through the Chief Executive, to assist them in carrying out their duties as directors.

Any director has direct access to and may seek information directly from the Company's External and Internal Auditors, provided that all such approaches are first advised to the Chair and the Chief Executive (other than approaches made by the Chair of the Audit, Risk and Compliance Committee who may liaise with the Company's External and Internal Auditors at any time).

A director may obtain independent, professional advice relevant to the Company's affairs to assist him or her to carry out his or her duties as a director, at the Company's expense, subject to prior approval of the Chair. When the Chair determines independent, professional advice is required, he or she must first obtain prior approval from the Chair of the Audit, Risk and Compliance Committee.

Board Committees

The Board has the following committees, which may be added to or changed from time to time:

- Audit, Risk and Compliance Committee;
- Remuneration and Human Resources Committee;
- Nomination and Prudential Committee; and
- Work Health and Safety Committee

Each of the above committees must have a formal charter approved by the Board.

Other than the Nomination and Prudential Committee (which includes the Managing Director and CEO), the members of a committee may only be non-executive directors, with a majority of independent directors.

The Board will periodically review the effectiveness of each of the above committees against its charter.

The Board may establish other ad hoc special purpose committees from time to time, with terms of reference approved by the Board.

Delegation to Management

The Board shall delegate responsibility for the day to day management of the Company to the Chief Executive. The Chief Executive may delegate various functions to other employees and subsidiary company boards. The authority of the Chief Executive and other employees shall be detailed by formal delegation of authority.

Formal letters of appointment of the Chief Executive and the Chief Financial Officer shall set out their respective responsibilities and key terms of engagement.

Senior executives shall be responsible for implementing the Company's strategic objectives and instilling and reinforcing its values, ensuring operation within the values, code of conduct, budget and risk appetite set by the Board.

In addition, the senior executives are responsible for providing the Board with accurate information on the Company's operations to enable the Board to perform its responsibilities. This includes information on financial performance, compliance with material legal and regulatory requirements and conduct that is materially inconsistent with Elders values or code of conduct.

The Board shall regularly review the division of functions between the Board and management to ensure it continues to be appropriate to the needs of the Company.

Review of Management

The non-executive directors will conduct a formal review of the performance of the Chief Executive and Company Secretary(s) on an annual basis. They may seek the advice of the Remuneration and Human Resources Committee.

Audit

The Board will receive reports from the Audit, Risk and Compliance Committee and, on the basis of its recommendations:

- confirm the appointment of the External Auditors and make recommendations to shareholders for their appointment or removal where necessary;
- approve accounts and financial reports (subject to receipt of the statement of the Chief Executive and Chief Financial Officer referred to in the section entitled "Chief Executive/Chief Financial Officer: Certificate" below and any other reports or management certificates the Board or the Audit, Risk and Compliance Committee may from time to time request);
- adopt accounting policy changes;
- appoint or remove the Internal Auditors; and
- adopt recommendations of the Internal Auditors.

Risk Management

The Board must require management to design and implement a risk management and internal control system to manage the Company's material business risks, and, through the Audit, Risk and Compliance Committee, will review the Company's material business risks and the integrated elements of risk namely, incident management, business continuity, and disaster recovery that together form the Company's Resilience Policy and Framework, at least annually to ensure it is sound.

The Audit, Risk and Compliance Committee will make recommendations to the Board in relation to:

- the adequacy of the Company's processes for managing risk;
- the Company's risk appetite;
- the adequacy of the Company's internal controls; and
- the Company's Directors and Officer's insurance.

Chief Executive/Chief Financial Officer: Certificate

The Board requires that, prior to approving the financial reports of the Company for a financial period, it receives from the Chief Executive and the Chief Financial Officer a declaration in relation to the Company's full year financial statements in accordance with (or, for interim financial reports, consistent with) section 295A of the Corporations Act and the ASX Corporate Governance Council's Principles and Recommendation confirming that:

- the Company's financial records have been properly maintained, the financial statements comply with accounting standards, and the financial statements and notes give a true and fair view; and
- the declaration provided in accordance with section 295A is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risk.

Director and Senior Executive Remuneration

The Board shall receive reports from the Remuneration and Human Resources Committee and, on the basis of its recommendations:

- determine a framework for remuneration of directors;
- determine the Chief Executive's remuneration; and
- determine remuneration policies for other senior management, including regarding incentive schemes and superannuation.

Non-executive directors shall not participate in incentive schemes designed for the remuneration of executives.

Board Standards and Policies

The Board currently has in place a number of standards and policies, including in particular the following:

- Code of Conduct;

- Anti-Bribery and Corruption Policy;
- Anti-Fraud Policy;
- Whistle-blower Policy;
- External Disclosure and Market Communications Policy;
- Securities Dealing Policy;
- Non-Executive Directors & Executive Minimum Shareholding Policy
- Resilience Policy and Framework;
- Compliance Policy;
- Director Independence Policy
- Financial Risk Management Policy; and
- Delegation of Authority.

The Board may make changes to these policies with the benefit of recommendations from the relevant Board committees.

Prudential Issues

The Board shall review and ratify on an annual basis the prudential criteria approved by the Nomination and Prudential Committee being criteria relevant to the determination of whether or not individuals are “fit and proper” persons to act as directors of the Company having regard to relevant regulatory authorities from time to time.

Board Performance Review

The Board shall receive reports from the Nomination and Prudential Committee on the composition, size and commitment of the Board.

With the benefit of those reports, the Board shall conduct a formal review of its effectiveness, on an annual basis.

Reporting and Communication

The Board shall report to shareholders and other legitimate stakeholders by:

- periodic reporting in accordance with the ASX Listing Rules and Corporations Act;
- continuous disclosure and communications with the market in accordance with the *Corporations Act*, ASX Listing Rules and Company’s External Disclosure and Market Communications Policy;

- posting announcements and other information on its website;
- holding its annual general meeting and, on occasions, other general meetings in accordance with the ASX Corporate Governance Council guidelines for communication with shareholders and for improving shareholder participation at general meetings;
- web-casting its general meetings and results presentations (by audio or audio-visual means as circumstances dictate); and
- continually considering how to use new technologies to enable more effective communications with stakeholders and improved access for shareholders unable to be physically present at general meetings.

Review

This Charter shall be reviewed by the Board once every two years.