



Board Charter

Version 3

Last Reviewed: July 2021
Next Review Date: July 2022

1. Introduction

- (a) This Board Charter sets out the principles for the operation of the board of directors (Board) of Spirit Technology Solutions Ltd (Company) and describes the functions of the Board. The Company and its controlled entities are collectively referred to as the Group.
- (b) The Board is responsible for the corporate governance of the Group. This Charter sets out the roles and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and operation of the Board.
- (c) The Board derives its authority to act from the Company's Constitution.

2. Role of the Board

- (a) The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

3. The Board's Relationship with Management

- (a) The Board shall delegate responsibility for the day-to-day operations and administration of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself in this Charter to the Managing Director/Chief Executive Officer.
- (b) The Board may impose further specific limits on the Managing Director/Chief Executive Officer delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board from time to time.
- (c) The Managing Director/Chief Executive Officer has authority to sub- delegate to senior management.
- (d) The role of management is to support the Managing Director/Chief Executive Officer and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.
- (e) In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.
- (f) Directors may delegate their powers as they consider it appropriate including to management of the Group. However, ultimate responsibility for strategy and control rests with the directors.
- (g) Management are ultimately accountable to the Board.
- (h) Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.

4. Specific Responsibilities of the Board

In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself.

- (a) Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance.
- (b) Appointment, and where necessary, the replacement, of the Managing Director/Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination.
- (c) Approving the Company's remuneration framework.
- (d) Monitoring the timeliness and effectiveness of reporting to Shareholders.
- (e) Reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters.
- (f) Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures.
- (g) Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the company has sufficient clarity to be actively monitored.
- (h) Approving the annual, half yearly and quarterly accounts.
- (i) Approving significant changes to the organisational structure.
- (j) Approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends.
- (k) Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules if applicable).
- (l) Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.
- (m) Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

5. Composition of the Board

- (a) The Board should comprise Directors with a mix of qualifications, experience, expertise, skills and diversity, as set out in the following Board skill matrix, which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders:
 - (i) Telecommunications and allied industry experience;

- (ii) business acquisition and integration skills;
 - (iii) financial literacy and legal and regulatory knowledge;
 - (iv) diversity;
 - (v) policy and regulatory development and reform;
 - (vi) health, safety and environment and social responsibility; and
 - (vii) organisational development and human resources.
- (b) In appointing new members to the Board, consideration must be given to the demonstrated ability and also future potential of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- (c) The composition of the Board is to be reviewed to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
- (d) Where practical, the majority of the Board should be comprised of non- executive Directors. Where practical, at least 50% of the Board should be independent.
- (i) An independent Director is a director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.
 - (ii) In considering whether a Director is independent, the Board should consider the definition of what constitutes independence as detailed in Box 2.3 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 4th Edition* as set out in Annexure A to this document (**Independence Tests**).
- (e) Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Remuneration and Nomination Committee to ensure that they continue to contribute effectively to the Board.
- (f) the Company must disclose the length of service of each Director in, or in conjunction with, its Annual Report.
- (g) The Company must disclose the relevant qualifications and experience of each Board Member in, or in conjunction with, its Annual Report.
- (h) The Company must disclose the names of Directors considered by the Board to be independent.

6. Director Responsibilities

- (a) Where a Director has an interest, position, association or relationship of the type described in the Independence Tests, but the Board is of the opinion that it does not

compromise the independence of the Director, the Company must disclose the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion.

- (b) Directors must disclose their interests, positions, associations or relationships. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- (c) Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- (d) If a director considers that they might be in a position where there is a reasonable possibility of conflict between their personal or business interests, the interests of any associated person, or their duties to any other company and the interests of the Company or their duties to the Company or the Group, the Board requires that the director:
 - (i) fully and frankly informs the Board about the circumstances giving rise to the conflict; and
 - (ii) unless the Board otherwise determines, abstains from voting on any motion relating to the matter and absents themselves from all Board deliberations relating to the matter, including receipt of board papers bearing on the matter.
- (e) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- (f) No member of the Board (other than a Managing Director) may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.

7. The Role of the Chairman

- (a) The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings, ensuring then approving that an accurate record of the minutes of board meetings is held by the Company and conducting the shareholder meetings.
- (b) Where practical, the Chairman should be a non-executive Director. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- (c) Where practical, the Chief Executive Officer/Managing Director should not be the Chairman of the Company during his term as Chief Executive Officer/Managing Director or in the future.
- (d) The Chairman must be able to commit the time to discharge the role effectively.
- (e) The Chairman should facilitate the effective contribution of all Directors and promote

constructive and respectful relations between Board members and management.

- (f) In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman for that meeting in an Acting capacity

8. The Role of the Managing Director/ Chief Executive Officer

- (a) The management function is conducted by, or under the supervision of, the Managing Director/Chief Executive Officer as directed by the Board, and by other officers to whom the management function is properly delegated by the Board or the Managing Director/Chief Executive Officer.
- (b) The Board approves corporate objectives for the Managing Director/Chief Executive Officer to satisfy and, jointly with the Managing Director/Chief Executive Officer, develops the duties and responsibilities of the Managing Director/Chief Executive Officer, which includes those set out in any employment contract of the Managing Director/Chief Executive Officer.
- (c) The Managing Director/Chief Executive Officer is responsible for implementing strategic objectives, plans and budgets approved by the Board in accordance with the directions of the Board.

9. Board Committees

- (a) Once the Board is of a sufficient size and structure, reflecting that the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board may establish the following committees, each with written charters:
 - (i) Audit and Risk Committee; and
 - (ii) Remuneration and Nomination Committee.
- (b) The charter of each Committee must be approved by the Board and reviewed following any applicable regulatory changes.
- (c) The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- (d) Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- (e) The Company must disclose the members and Chairman of each Committee in, or in conjunction with, its annual report.
- (f) The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.
- (g) The Company must disclose in, or in conjunction with, its annual report, in relation to each reporting period relevant to a Committee, the number of times each Committee

met throughout the period and the individual attendances of the members at those Committee meetings.

- (h) Where the Board does not consider that the Company will benefit from a particular separate committee:
 - (i) the Board must:
 - (A) carry out the duties and discharge the responsibilities that would ordinarily be assigned to that committee as set out in the Charter for that committee; and
 - (B) ensure that it has appropriate balance of skills, experience, independence and knowledge of the Company to enable it to discharge its duties and responsibilities effectively; and
 - (ii) the Company must disclose in, or in conjunction with, its annual report the following, as applicable:
 - (A) the fact a Committee has not been established; or
 - (B) if an Audit and Risk Committee has not been established, the processes the Board employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner, and the process it employs for overseeing the Company's risk management framework;
 - (C) if a Nomination Committee has not been established, the processes the Board employs to address Board succession issues; and
 - (D) if a Remuneration Committee has not been established, the processes the Board employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

10. Board Meetings

- (a) The Directors may determine the quorum necessary for the transaction of business at a meeting, however, until otherwise determined, there must be three Directors present and must include at least one Non- Executive Director at a meeting to constitute a quorum.
- (b) The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.
- (c) Non-executive Directors may confer at scheduled times without management being present.
- (d) The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman and circulated to Directors after each meeting.

- (e) The Company Secretary shall ensure that the business at Board and committee meetings is accurately captured in the minutes.
- (f) The Company Secretary shall co-ordinate the timely completion and distribution of Board and committee papers for each meeting of the Board and any committee.
- (g) Minutes of meetings must be approved at the next Board meeting.
- (h) Further details regarding Board meetings are set out in the Company's Constitution.

11. The Company Secretary

- (a) When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors.
- (b) The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- (c) The Company Secretary is to facilitate the induction and professional development of Directors.
- (d) The Company Secretary is to facilitate and monitor the implementation of Board policies and procedures.
- (e) The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.
- (f) All Directors have access to the advice and services provided by the Company Secretary.
- (g) The Board has the responsibility for the appointment and removal, by resolution, of the Company Secretary.

12. Access to Advice

- (a) All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.
- (b) All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- (c) The Board, Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

13. Performance Review

The Nomination Committee shall conduct an annual performance review of the Board that:

- (a) compares the performance of the Board with the requirements of its Charter;
- (b) critically reviews the mix of the Board; and
- (c) suggests any amendments to the Charter as are deemed necessary or appropriate.

14. Review

The Company Secretary will review this Charter annually or as often as he or she considers necessary.

15. Approved and Adopted

This Charter was approved and adopted by the Board on 15 July 2020.

ANNEXURE A – DEFINITION OF INDEPENDENCE

Examples of interests, positions, associations and relationships that might cause doubts about the independence of a director include if the director:

- (a) is, or has been, employed in an executive capacity by the Company or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
- (b) receives performance-based remuneration (including options or performance rights) or participates in an employee incentive scheme;
- (c) is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with the Company or any of its related entities, or an officer of, or otherwise associated with, someone with such a relationship;
- (d) is, represents, or is otherwise affiliated with a substantial shareholder of Spirit Group;
- (e) has close personal ties with any person who falls within any of the categories described above;
or
- (f) has been a director of the Company for such a period that his or her independence may have been compromised.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.