

# BOARD CHARTER

## AMAERO INTERNATIONAL LIMITED ("Company")

Version: 2  
Approved by the Board: June 2021

### 1 Role of the Board

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This Board Charter sets out the principles for the operation of the board of directors of the Company ("**Board**") and describes the functions of the Board.

The Board is accountable to shareholders for the performance of the Company. The Board must at all times act honestly, conscientiously and fairly in all respects in accordance with the law applicable to the Company and must act in the best interests of the Company's shareholders and other stakeholders.

The Board's role includes guiding the Company's strategic direction, driving its performance and overseeing the activities of management and the operation of the Company.

This Board Charter and the charters adopted by the Board for the committees established by the Board have been adopted on the basis that good corporate governance adds to the performance of the Company and creates shareholder value and engenders the confidence of the investment market.

### 2 Responsibilities of the Board

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The Board is responsible for managing the affairs of the Company, including:

#### ***Strategic and financial performance***

- demonstrate leadership and develop and approve the Company's corporate strategy, investment and performance objectives;
- define the Company's purpose;
- approve the Company's statement of values and code of conduct to underpin the desired culture within the Company;
- evaluate, approve and monitor the Company's strategic, investment and financial plans and objectives;
- evaluate, approve and monitor the annual budgets and business plans;
- approving operating budgets and major capital expenditure;
- determine the Company's dividend policy (if any), dividend re-investment plan (if any) and the amount and timing of all dividends;
- evaluate, approve and monitor major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company;
- approve all accounting policies, financial reports and material reporting and external communications by the Company;
- assess the solvency and performance of the Company;

- appoint the Chair of the Board and, where appropriate, any deputy chair or senior independent director;

### ***Executive management***

- appoint, monitor and manage the performance of the Company's executive directors;
- manage succession planning for the Company's executive directors and any other key management positions as identified from time to time, including reviewing any succession plans recommended by the Remuneration and Nomination Committee (if any);
- appoint and, where appropriate, remove any Chief Executive Officer;
- ratify the appointment and, where appropriate, the removal of senior management of the Company and any subsidiaries;
- with the advice and assistance of the Remuneration and Nomination Committee (if any), review and approve the performance of individual Board members and senior executives as well as any policies concerned with the remuneration of any employee;
- with the advice and assistance of the Remuneration and Nomination Committee (if any), review and approve the remuneration of individual Board members and senior executives, having regard to their performance;
- satisfy itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- ensure appropriate resources are available to senior executives;
- advise senior management of its obligation to provide to the Board all information required by it to discharge its responsibilities, including any information specifically requested by the Board;
- oversee senior management's implementation of the Company's strategic objectives, instilling of the Company's values and performance generally;

### ***Audit and risk management***

- with the recommendation of the Audit and Risk Management Committee (if any), appoint the external auditor and determine its remuneration and terms of appointment;
- satisfying itself that effective audit, risk management (for both financial and non-financial risks) and regulatory compliance programs are in place to protect the Company's assets and shareholder value;
- evaluate, establish, approve and monitor the risk appetite within which the Board expects management of the Company to operate;
- approve and monitor the Company's risk and audit framework, including (but not limited to) systems of risk management and internal compliance and control;
- approve and, with the assistance and advice of the Audit and Risk Management Committee (if any), monitor compliance with the Company's Risk Management Policy (if any);
- monitor the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements;
- approve and oversee the integrity of the accounting, financial and other corporate reporting systems and monitor the operation of these systems;

### ***Strategic planning***

- engage in strategic planning including establish goals for management of the Company and monitor the achievement of those goals;
- ensure strategic planning is based on the identification of opportunities and the full range of business risks that will determine which of those opportunities are most worth pursuing;
- on an ongoing basis, review how the strategic environment is changing, what key business risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted;

### ***Corporate governance and disclosure***

- oversee the affairs of the Company, including its control and accountability systems;
- satisfy itself that an appropriate framework is in place to allow management to report relevant information to the Board, and to allow the Board to challenge management whenever it requires and hold management to account;
- evaluate the overall effectiveness of the Board, its committees and its corporate governance practices;
- review the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amending those policies and procedures or adopting new policies or procedures;
- addressing any material breaches of the Company's corporate governance policies and procedures;
- review and approve all disclosures related to any departures from the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council;
- review and approve the public disclosure of any Company policy or procedure;
- supervise the public disclosure of all matters that the law and the ASX Listing Rules require to be publicly disclosed in a manner consistent with the Continuous Disclosure Policy;
- develop and review an appropriate communications policy to promote effective communication with shareholders and participation at general meetings;
- approve the appointment of directors to committees established by the Board and oversee the conduct of each committee;
- approve and monitor delegations of authority;
- with the assistance of the Remuneration and Nomination Committee (if any), identify any specific responsibilities of individual Board members, including the Chair;
- with the assistance of the Remuneration and Nomination Committee (if any), satisfy itself that the Company's Remuneration Policy is aligned with the Company's purpose, values, strategic objectives and risk appetite;
- prepare the Company's annual corporate governance disclosure statements as required under the ASX Listing Rules;

### ***Performance evaluation***

- with the advice and assistance of the Remuneration and Nomination Committee (if any), review and evaluate the performance of the Board, each board committee, and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives;
- following each review and evaluation, consider how to improve performance;
- agree and set the goals and objectives for the Board and its committees, and if necessary, amending the relevant charters, committees, policies or goals and objectives; and
- with the advice and assistance of the Remuneration and Nomination Committee (if any), review and approve the remuneration of the Company's executive and non-executive directors.

#### ***Code of Conduct and Ethics***

- to underpin the desired culture within the Company, adopt and apply appropriate ethical standards in relation to the management of the Company and the conduct of its business; and
- monitor compliance with the Company's Code of Conduct and Ethics.

### **3 Structure of the Board**

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#### *Number of Directors*

The Board shall comprise at least three directors and it is intended that the Board should, to the extent practicable given the size and composition of the Board from time to time, be comprised of a majority of independent directors. The Board aims to comprise directors with a broad range of skills, expertise, and experience from a diverse range of backgrounds that is appropriate to the Company and its strategy.

#### *Checks prior to appointment of Directors*

Before the Company appoints any person as a Director or puts forward to Shareholders a new candidate for election as a Director, the Company will ensure that appropriate checks are undertaken, including checks as to the person's character, experience, education, criminal record and bankruptcy history.

#### *Terms of Appointment*

Each Director will enter into a formal appointment document with the Company setting out the terms and conditions of the Director's appointment.

### **4 Independent Director**

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Where this Charter or the charter of a board committee requires one or more "independent" directors, the following criteria are to be applied.

An "independent" director is a non-executive director who:

- is not, and does not represent, a substantial shareholder (as defined in the Corporations Act 2001 (Cth)) of the Company or, within the last three years, has not been an officer or employee of, or with a professional advisor to, a substantial shareholder of the Company;
- within the last three years, has not been employed in an executive capacity by the Company or any of its subsidiaries, or been a director after ceasing to hold any such employment;
- within the last three years has not been in a material business relationship (eg. a material supplier, professional adviser, consultant or customer) with the Company or any of its subsidiaries, or is not an officer of, or otherwise associated with, someone with such a relationship;

- do not have close personal ties with any person who falls within any of the categories described above;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's independence from management and substantial holders and the director's ability to act in the best interests of the Company as a whole;
- does not receive performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's capacity to bring an independence judgement to bear on issues before the Board and the director's ability to act in the best interests of the Company as a whole.

Personal ties and cross-directorships may be relevant in considering interests and relationships which may compromise independence and should be disclosed by directors to the Board.

The Board should regularly assess whether each non-executive director is independent. Each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independent status changes, this should be disclosed and explained to the market in a timely manner.

#### *Test of Independence*

In assessing whether a Director is independent, the Board will have regard to the independence criteria in ASX Corporate Governance Council's Principals and Recommendations as published from time to time.

## 5 Directors' Responsibilities

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Each director of the Company is bound by the Company's charters and policies, including any of the following policies adopted by the Board:

- Securities Trading Policy;
- Continuous Disclosure Policy;
- Audit and Risk Committee Charter;
- Remuneration and Nomination Committee Charter;
- Diversity Policy;
- Risk Management Policy;
- Remuneration Policy;
- Whistleblowers Policy;
- Anti-Bribery and Corruption Policy;
- Code of Conduct; and
- Shareholder Communications Policy.

The Board may adopt additional policies as required based on the Company's size and operations from

time to time.

The directors of the Company must:

- conduct their duties at the highest level of honesty and integrity;
- observe the rule and the spirit of the laws to which the Company is bound and comply with any relevant ethical and technical standards;
- maintain the confidentiality of all information acquired in the course of conducting their role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board or is required by law or by the ASX Listing Rules;
- observe the principles of independence, accuracy and integrity in dealings with the Board, board committees, internal and external auditors, senior management and employees within the Company;
- act in accordance with this Board Charter and disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the director becomes aware and which the director reasonably believes is material, in that it may or may be perceived to influence his vote or compromise the reputation or performance of the Company; and
- set a standard of honesty, fairness, integrity, diligence and competency in respect of the position of director.

## 6 Role of the Chair

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The Company recognises that it is important that the Chair has a defined role in the organisation and operates in accordance with clear functional lines.

The role of Chair requires a significant time commitment. The Chair's other positions should not be such that they are likely to hinder effective performance in the role.

## 7 Specific Duties of the Chair

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The Chair will:

- where practicable, be an independent non-executive director;
- chair board meetings;
- establish the agenda for Board meetings, in consultation with the directors and the company secretary; and
- chair meetings of shareholders, including the Annual General Meeting of the Company.

The roles of Chair and Chief Executive Officer (if any) will be exercised by two separate individuals (to the extent possible).

The Chair will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.

The Chair is responsible for:

- leadership of the Board and for the efficient organisation and conduct of the Board's functions, including and ensuring that adequate time is available for discussion of all agenda items, including strategic issues;

- promoting a constructive governance culture and applying appropriate governance principles among directors and with management; and
- facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between Board and management.

## 8 Specific Duties of the Chief Executive Officer

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The Board will delegate to the Chief Executive Officer the authority and power to manage the Company and its business within levels of authority specified by the Board from time to time. The Chief Executive Officer may delegate aspects of his or her authority and power to other senior executives but remains accountable to the Board for the day to day management of the Company. The roles of the Chief Executive Officer and senior executives include:

- responsibility for the effective leadership of the management team;
- implementing the Company's strategic objectives for the business and instilling and reinforcing the Company's values, all while operating within the values, code of conduct, budget and risk appetite set by the Board;
- providing the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities, including (without limitation) information about the financial performance of the Company, compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or the Company's Code of Conduct; and
- the day to day management of the Company.

## 9 Confidential Information and External Communication

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The Board has established the following principles to apply in respect of information of the Company:

- generally, the Chair will speak for the Company. Individual Board members are expected not to communicate on behalf of the Board or the Company without prior consultation with the Chair;
- any disclosure of information to a shareholder which is not disclosed to the market must be approved under the Continuous Disclosure Policy and must comply with the ASX Listing Rules; and
- all directors are required to keep all information provided to them in their capacity as a director confidential, unless it is required by law or by the ASX Listing Rules.

## 10 Conflicts of Interest

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The directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or possible conflicts of interest.

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, on the one hand, and the interests of the Company or their duties to the Company, on the other hand, the director must:

- fully and frankly inform the Board about the circumstances giving rise to the possible or actual conflict;
- if requested by the Board, within such period as may be permitted by the Board, take such steps necessary and reasonable to remove any conflict of interest; and

- abstain from voting on any motion relating to the matter and absent themselves from all board deliberations relating to the matter, including receipt of Board papers bearing on the matter.

If a director believes that they may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chair (or, in the case of the Chair, the Chair should immediately consult with the other non-executive directors).

## 11 Related Party Transactions

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The Board delegates to the Audit and Risk Management Committee the responsibility for reviewing and monitoring related party transactions and investments involving the Company and its directors.

## 12 Meetings

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The Board will meet at least four times a year and more frequently as the Board deems appropriate.

A meeting of the Board will usually be convened by the Chair.

The agenda and papers for each meeting will be circulated to directors with enough time to allow directors a reasonable opportunity to properly review the papers before the meeting.

All directors are expected to diligently prepare for, attend and participate in all Board meetings. At a minimum, a quorum of directors under the Company's Constitution is two directors. Meetings of the Board may be held or participated in by conference call or similar means. Resolutions of the Board may be passed by circular resolution or in writing in accordance with the Company's Constitution.

The Chair should ensure the availability and, if necessary, the attendance at the relevant meeting, of any member of the Company's executive management responsible for a matter included as an agenda item at the relevant meeting.

## 13 Agenda

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An agenda will be prepared for each Board and Board committee meeting. The agenda will be prepared by the company secretary.

The following items will be standing items on the agenda unless otherwise determined by the Chair:

- approval of minutes of previous Board meeting;
- matters arising from minutes of previous Board meeting (Note: directors are expected to review the minutes carefully and raise any concerns, requested amendments or seek clarification in the following Board meeting);
- consideration of any continuous disclosure matters;
- any risk matters for consideration;
- directors' declarations; and
- items requiring Board approval.

## 14 Board Committees

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Once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient size, to assist the Board in fulfilling its duties, the Board may establish the following committees:

- the Audit and Risk Committee, which is responsible for monitoring and advising the Board on the Company's audit, risk management and regulatory compliance policies and procedures; and
- the Remuneration and Nomination Committee, which is responsible for establishing the policies and practices of the Company regarding the remuneration of directors and other senior executives and reviewing all components of the remuneration framework, advising the Board on the composition of the Board and its committees, reviewing the performance of the Board, its committees and the individual directors, ensuring the proper succession plans are in place and advising the Board in respect of the effectiveness of its corporate governance policies and developments in corporate governance.

Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.

The composition of the membership, including the Chair, of each of these committees will be as determined by the Board from time to time, subject to the following restrictions:

- ideally the Chair of the Board should not also serve as Chair of a committee'
- the Audit and Risk Committee must comprise, where practicable, at least two independent non-executive directors; and
- the Remuneration and Nomination Committee must comprise, where practicable, at least two independent non-executive directors.

The Board will consider and approve the charters of the various committees. These charters will identify the areas in which the Board will be assisted by each committee. Each committee will report regularly to the Board in accordance with their respective charters.

The Board may establish other committees as and when required.

## 15 Company Secretary

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The company secretary is directly accountable to the Board through the Chair, unless delegated by the Board to another appropriate person. The company secretary's role is to:

- advise the Board and its committees on governance matters;
- coordinate all Board business including:
  - prepare agendas;
  - coordinate the timely completion and despatch of Board and committee papers;
  - ensure the business at Board and committee meetings is accurately captured in the minutes;
  - lodge communications and filings with the ASX;
  - monitor compliance with Board and committee policy and procedures; and

- help to organise and facilitate the induction and professional development of directors.

The Board will appoint at least one company secretary. Appointment and removal of a company secretary will be subject to Board approval.

All directors will have direct access to the company secretary.

## 16 Independent Advice

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A director of the Company is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of his or her responsibilities, in accordance with the procedures and subject to the conditions set out below:

- a director must seek the prior approval of the Chair;
- in seeking the prior approval of the Chair, the director must provide the Chair with details of the nature of the independent professional advice, the likely cost of the advice and details of the adviser he or she proposes to instruct;
- the Chair may set a reasonable limit on the amount that the Company will contribute towards the cost of obtaining the advice;
- all documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and to the director in their professional capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director's contract of employment with the Company (in the case of an executive director) or any dispute between the director and the Company; and
- the Chair may determine that any advice received by an individual director will be circulated to the remainder of the Board.

All directors are entitled to the benefit of the Company's standard Deed of Access, Indemnity and Insurance which provides ongoing access to Board Papers and, at the Company's expense, Directors and Officers insurance.

## 17 Remuneration

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The level of director remuneration will be approved by the Board or by shareholders as the Company's Constitution may require.

## 18 Review

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The Board will regularly (at least every two years) review and prepare:

- a self-evaluation of its performance against this Charter;
- recommended goals and objectives for the coming year; and
- recommended changes or improvements to this Charter if necessary.

## 19 Revisions of this Charter

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This Board Charter and any amendments to it must be approved by each director of the Company.

Each director is responsible for review of the effectiveness of this Charter and the operations of the Board and to make recommendations to the Board of any amendments to this Board Charter.