



Board of Directors Charter

1. Purpose

The Board of Directors (“**Board**”) of Articore Group Limited (“**Articore**” or the “**Company**”, and collectively with its subsidiaries “**Articore Group**”) seeks to build and grow a company of enduring value for its shareholders and for the benefit of all stakeholders.

The Board is committed to abiding by all relevant laws and regulations and to providing employees with a safe and rewarding work environment. It will have consideration in its deliberations for the broader community, external and internal stakeholders, Articore’s responsibilities as a corporate citizen of good standing and Articore Group’s values (as set out in the Code of Conduct adopted by the Board).

Within this context this charter outlines the authorities, responsibilities, membership, operation and protocols of Articore’s Board. In addition to its formal accountabilities, the Board sees it has a responsibility to help the Group Chief Executive Officer to succeed through advice, counsel and support.

2. Responsibilities of the Board

The Board is responsible for the overall operation and stewardship of Articore Group and, in particular, is responsible for:

- (a) Mission and Purpose
Defining Articore’s mission and purpose.

- (b) Strategy
 - (i) Providing input into and approval of Articore Group’s strategic direction and business plans as developed by management.
 - (ii) Directing, monitoring and assessing Articore Group’s performance against strategic direction and business plans.

- (c) Management
 - (i) Overseeing management in its instilling of Articore Group’s values.
 - (ii) Whenever required, challenging management and holding it to account.
 - (iii) Satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board.
 - (iv) The appointment and removal of the Group Chief Executive Officer, setting their remuneration, monitoring their performance and approving succession plans for them.
 - (v) Ensuring that the framework for setting and monitoring remuneration and conditions of service for management is appropriate.

- (vi) Ensuring that a process is in place for executive succession planning, and monitoring that process.
 - (vii) Delegating authority to the Group Chief Executive Officer.
- (d) Compliance and risk management
- (i) Setting the risk appetite for Articore Group.
 - (ii) Approving and regularly reviewing the risk and legal compliance framework in order to ensure that both financial and non-financial risks are identified and appropriately managed.
 - (iii) Overseeing and monitoring management's implementation of Articore Group's risk management and legal compliance framework.
- (e) Shareholders
- Ensuring effective communication with shareholders, with the objective of facilitating the effective exercise of shareholders' rights and ensuring that all regulatory requirements are met.
- (f) Values and ethical and responsible decision-making
- (i) Approving Articore's statement of values and Code of Conduct to underpin the desired culture within Articore Group.
 - (ii) Promoting and modelling ethical and responsible decision-making consistent with Articore's values in accordance with the Code of Conduct to guide the Board, management and employees in practices that promote confidence in Articore Group's integrity.
- (g) Financial management and capital management
- Overseeing Articore Group's financial and capital management, including:
- (i) approval of Articore Group's annual and half yearly financial reports and quarterly results announcements (as applicable);
 - (ii) approval of Articore Group's annual budget;
 - (iii) monitoring Articore Group's financial results on an ongoing basis;
 - (iv) monitoring the progress of major capital expenditure, capital management, major acquisitions and disposals and material commitments;
 - (v) decisions affecting the capital of Articore Group, including capital structure or restructure and major financing arrangements;
 - (vi) determining the dividend policy of Articore and declaring dividends;
and
 - (vii) decisions based on recommendations from the Audit & Risk Committee in relation to ensuring the integrity of financial reporting, including the appointment and role of the external auditors.
- (h) Remuneration policies
- Satisfying itself that Articore Group's remuneration policies are aligned with Articore's purpose, values, strategic objectives and risk appetite.

3. Membership of the Board

(a) Composition and size

- (i) The Board will consist of a majority of non-executive, independent directors.
- (ii) The directors will determine the size of the Board, subject to the Articore Constitution and the Corporations Act. The Constitution provides that the number of directors must not be less than three, nor more than nine, subject to limited exceptions in the Constitution.
- (iii) Articore will seek to have directors with an appropriate range of skills, experience and expertise and an understanding of and competence to deal with current and emerging issues of the business, as further described in the People & Nomination Committee Charter.

(b) Appointment and re-election of directors

- (i) The process of selection and appointment of new directors to the Board is described in the People & Nomination Committee Charter.
- (ii) Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment.
- (iii) Directors must retire from office in accordance with the Constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chair of the Board will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). The Board (excluding the Chair) will conduct the review of the Chair.

(c) Independence

- (i) All directors, whether independent or not, are required to exercise independent judgement on all Board decisions.
- (ii) A director is considered independent by Articore if the director is a non-executive director who is not a member of management and free of any interest, position, association, business relationship or other relationship that could materially interfere with the exercise of their unfettered and independent judgement, or be perceived to do so.
- (iii) Without limiting the above, if one or more of the following circumstances apply, then the director will be presumed not to be independent unless the Board agrees otherwise on reasonable grounds:
 - a. the director is a substantial shareholder of Articore (greater than 5% holding, directly or indirectly) or an officer of, or otherwise associated directly with, a substantial shareholder of Articore;

- b. the director has within the last three years been employed in an executive capacity by Articore Group, including any company in the Articore Group, or has been a director after ceasing to hold any such employment;
 - c. the director has, within the last three years, been a partner, shareholder, director or senior employee of a material professional adviser or material consultant to Articore, including any company in the Articore Group, or an employee materially associated with the service provided;
 - d. the director has a material contractual relationship with Articore, including any company in the Articore Group, other than as a director or shareholder of Articore;
 - e. the director has any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Articore Group;
 - f. the director receives performance-based remuneration (including options or performance rights) or participates in an employee incentive scheme;
 - g. the director is, or has been within the last three years, in a material business relationship as a professional adviser or consultant to Articore, including any company in the Articore Group, or is an officer of, or otherwise associated with, someone with such a relationship;
 - h. the director represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder; or
 - i. the director has close family ties with any person who falls within any of the categories above.
- (iv) The Board will regularly assess the independence of each director in light of the interests disclosed by them. Each independent director must provide the Board with all relevant information for this. The outcome of this assessment will be reflected in the corporate governance section of the annual report.

4. Conduct of individual directors

Each director must act in accordance with his or her legal and statutory duties.

Without limiting that statement, each director must:

- (a) discharge their duties in good faith and in the best interests of Articore Group and for a proper purpose;
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company, including applying an independent and enquiring mind to their responsibilities;
- (c) not make improper use of information gained through their position as a director or take improper advantage of their position as a director;

- (d) make reasonable enquiries if relying on information or advice provided by others;
- (e) undertake any necessary inquiries in respect of delegates;
- (f) not permit Articore Group to engage in insolvent trading; and
- (g) manage potential or actual conflicts of interest in accordance with section 6 below.
- (h) Ensure concerns are raised early and directly with issues discussed in a constructive and considered manner.

5. Conflicts of Interest

- (a) Directors must:
 - (i) disclose to the Board (through the Company Secretary and/or Chair) any conflicts of interest which may exist or be thought to exist as soon as they become aware of the issue;
 - (ii) take any necessary and reasonable measures to try to resolve the conflict; and
 - (iii) comply with the Corporations Act provisions on disclosing interests and restrictions on voting.
- (b) If a conflict of interest situation exists, the conflicted director shall leave the meeting whilst the Board discusses the matter and will not vote on the matter, unless the other directors resolve otherwise.
- (c) Directors are expected to advise the Chair of any proposed Board or executive appointment to other companies as soon as practicable.

6. Access to Information and Independent Advice

- (a) Directors may access such information and (subject to prior approval as set out below) may seek such independent professional advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision making.
- (b) Directors will be entitled to:
 - (i) access members of management, via the Group Chief Executive Officer or Company Secretary, at any time to request relevant and additional information or seek explanations;
 - (ii) have access to internal and external auditors, without management present to seek explanations or additional information; and
 - (iii) seek independent professional advice with the Chair's prior consent, which will not be unreasonably withheld or delayed, and which will be at Articore's expense.

7. Role of the Chair

- (a) The Chair of the Board is appointed by the directors.

- (b) The Chair must not also be the Group Chief Executive Officer of Articore Group and must be a non-executive director. The Chair must also be independent, unless the other directors agree that it is in the best interests of Articore Group that a non-independent director should be Chair.
- (c) The role and responsibilities of the Chair are to:
 - (i) chair Board meetings and shareholder meetings;
 - (ii) ensure the efficient organisation and conduct of the Board's function;
 - (iii) brief all directors in relation to issues arising at Board meetings;
 - (iv) facilitate effective contribution by all directors;
 - (v) oversee that membership of the Board is skilled and appropriate for Articore Group's needs;
 - (vi) promote constructive relations between Board members and between the Board and management;
 - (vii) ensure that non-executive directors meet separately, as appropriate, to consider management's performance;
 - (viii) review corporate governance matters with the Company Secretary and reporting on those matters to the Board; and
 - (ix) oversee the process for Board performance review and monitor Board performance.

8. Role of the Company Secretary

- (a) The Board will appoint at least one Company Secretary.
- (b) The Company Secretary is accountable to the Board, through the Chair, on all matters to do with corporate governance matters and the proper functioning of the Board.
- (c) The Company Secretary is responsible for coordination of all Board and Committees' business, including agendas, Board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.
- (d) All directors will have access to the Company Secretary.

9. Delegations of authority

(a) Committees

- (i) The Board delegates parts of its work-flow and detailed consideration to Committees who will advise and make recommendations to the Board.
- (ii) There are currently three standing committees, which have adopted charters setting out the authority, responsibilities, membership and operation of the committee:
 - a. the Audit and Risk Committee;
 - b. the People and Nomination Committee; and
 - c. the Disclosure Committee.
- (iii) The Board may establish other committees from time to time to consider other matters of special importance.

- (iv) Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings. Committees, through their Chairs, are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chair of each committee will report back on committee meetings to the Board at the next full Board meeting.

(b) Group Chief Executive Officer and Management

- (i) The Board has delegated to the Group Chief Executive Officer the authority to manage the day-to-day affairs of Articore Group and the authority to control the affairs of Articore Group in relation to all matters other than those responsibilities reserved to itself in this charter.
- (ii) The Board may impose further specific limits on Group Chief Executive Officer delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board as appropriate from time to time.
- (iii) The Group Chief Executive Officer has authority to sub-delegate to the senior management team.
- (iv) Without limiting the responsibilities of the Board contained in Articore's Constitution and in Section 2 of this charter, the following matters shall be specifically reserved to the Board and shall not be subject of delegation to the Group Chief Executive Officer or other management:
- the appointment and removal of the Group Chief Financial Officer;
 - approving the appointment and replacement of the Company Secretary;
 - entering into joint venture or strategic partnership agreements or agreements in relation to a material acquisition or divestment of shares, business or assets;
 - entering into contracts for the supply of goods or services to Articore or any or its subsidiaries in excess of the Group Chief Executive Officer's delegated approval limit in the Delegations Register;
 - entering into property leasing arrangements of Articore or any or its subsidiaries;
 - approving changes to Articore Group's budget;
 - approving changes to Articore Group's treasury/capital management policies; and
 - initiating material litigation as plaintiff or deciding whether to appeal material litigation judgments.

In addition, management is required to notify the Board of any non-disclosure agreements proposed to be entered into with employees who have brought claims against a Group Company.

10. Board process

(a) Meetings

- (i) All Board meetings will be conducted in accordance with the Constitution and the Corporations Act.

- (ii) Board meetings will be held regularly, with at least 6 meetings being held in each calendar year.
- (iii) Directors are committed to collective decision-making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.
- (iv) Directors, through the Chair, can raise agenda items to be considered during a meeting. Any director raised agenda items requiring a management response are to be formally placed on the agenda for a subsequent meeting. Other Business agenda items are reserved for items that can be fully addressed without papers or for creating action items for future management attention.
- (v) Board papers are to be distributed in a manner and time that allows each director to apply diligence and independence of thought to the matters at hand. Late papers will only be addressed in a meeting with the approval of the Chair.
- (vi) Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.
- (vii) All directors are generally expected to prepare adequately, attend and participate at each Board meeting. All directors should actively consider the sufficiency of the contents of the board papers that they have been provided for consideration. The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.
- (viii) Non-executive directors may periodically meet in an ‘in-camera’ session, without executive directors or management present, for example to discuss management’s performance.
- (ix) The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.
- (x) The Board may conduct meetings by videoconference or telephone.

11. Review of the Board’s performance

On at least an annual basis the Chair will review:

- (a) the Board’s role;
- (b) Board and Committee processes to support that role; and
- (c) the Board’s performance.

12. Review and publication of the charter

This charter may be amended by resolution of the Board. The Board will review this charter at least annually and amend as appropriate.

This charter is available at www.articore.com and any key features are published in the Articore Group Corporate Governance Statement.