

# **BOARD CHARTER BENDIGO COMMUNITY TELCO LIMITED**

## **1. Responsibilities**

### **1.1 Introduction**

The responsibilities of the Board are set out in this Charter. Except in relation to any matters reserved to the Board under this Charter, responsibility for the day to day management of the company and its operations is delegated to the Chief Executive Officer. The Chief Executive Officer may delegate any of the powers of management to Senior Management but remains accountable to the Board for all delegated authorities.

### **1.2 General**

- Approve Bendigo Community Telco strategy and financial objectives and monitor the implementation of those strategies and objectives. This includes the following;
  - On at least an annual basis, reviewing the assumptions and reasons underlying and approving the strategic plan and budget.
  - Making sure there are adequate resources available to achieve the company's strategy and objectives.
  - Monitoring management performance and progress against the strategies and objectives of the company, including assessing the company's financial position and performance.
  - Monitoring budgetary control and any corrective action required.
- Decide the expenditure authorisation limits to be delegated to management and approve expenditure above those levels, and decide any other delegations to management.
- Approve any significant changes in the organisational structure.
- Approve investments and strategic commitments that may have a material effect on the assets, profits or operations of the company.
- Decide the capital structure of the company, including any issue of shares, options or other securities, any share buy-back, and any change in capital structure of the company.
- Decide dividend policy and declare dividends to be paid to shareholders.
- In addition to the policies specifically identified in this Charter for approval or ratification, receive and consider any other new or revised policy of a nature that, in the opinion of the Chief Executive Officer, should receive Board consideration.

### **1.3 Committees**

- Decide the standing Committees of the Board and any ad hoc Committees, which will assist the Board in discharging its responsibilities.
- Decide the Charters and Procedural Rules for the standing Committees and terms of reference for any ad hoc Committees.
- Decide the membership of the Committees.
- On an annual basis, do each of the following:
  - Review the Charters and Procedural Rules of each standing Committee, and make any amendments it considers necessary or desirable.
  - Assess the performance of each standing Committee against the Charter and goals and objectives set the previous year.
  - Approve the goals and objectives of each Committee for the coming year.
- Receive and consider the minutes from each Committee at the next Board meeting following a Committee meeting.

#### **1.4 Board nomination**

- Decide on the appointment and removal of the Chief Executive Officer.
- Decide on the appointment and removal of the Company Secretary.
- Elect the Chairman of the Board and the Deputy Chairman of the Board, at the first Board meeting after each annual general meeting or at the annual general meeting.
- Conduct an annual assessment of itself and individual directors in a manner the Board decides is appropriate. The assessment is to compare the performance of the Board with the requirements of this Charter and goals and objectives set the previous year. As part of the assessment, the Board is to set the goals and objectives of the Board for the coming year and to make any amendments it considers necessary or desirable to this Charter.
- Conduct an annual assessment of the independence of each non-executive director.
- Review the assessment and recommendations of the Board in relation to nomination matters and make decisions in relation to those recommendations.
- Review on a regular and continuing basis succession planning for the Board.
- Review on an ongoing basis succession planning for the Chief Executive Officer and monitor succession planning for members of the Senior Management.

#### **1.5 Remuneration**

- Review the recommendations of the Remuneration Committee in relation to remuneration matters and make decisions in relation to those recommendations.
- On an annual basis, set criteria for and review the performance of the Chief Executive Officer.
- On an annual basis, decide the remuneration of the Chief Executive Officer.
- On an annual basis, receive a report from the Chief Executive Officer on the remuneration of members of the Senior Management.

#### **1.6 General Compliance**

- Review the recommendations of the Committees in relation to general governance matters and make decisions in relation to those recommendations.
- Monitor the following;
  - Compliance with the company's continuous disclosure policy.
  - Trading in securities by directors.
  - Declarations of interest by directors.
- Set corporate values and standards of conduct to promote ethical corporate and individual behaviour in the conduct of the business of the company.

#### **1.7 Audit**

- Review the recommendations of the Audit Committee and make decisions in relation to those recommendations.

## **2. Composition and procedures**

### **2.1 Composition of Board**

The Constitution provides that the number of directors is as determined by the Board, being no less than three and no more than twelve directors.

### **2.2 Appointment and term**

The Constitution requires the maximum period a person is a director before re-election is until the third annual general meeting after appointment. The constitution also provides for one-third of directors to retire at every annual general meeting. A retiring director is eligible for re-appointment.

### **2.3 Chairman and Deputy Chairman**

The Board has decided the following;

- The Chairman and Deputy Chairman are to be non-executive directors.
- There is to be a separation between the role of Chief Executive Officer and Chairman.

Under the Constitution, if the Chairman and Deputy Chairman are absent from a meeting, the members present are to choose one of the members to chair that meeting.

### **2.4 Conflict of interest**

Each director is required to disclose to the Board promptly the holding of any office or the possession of property in respect of which the director has, or may have, an interest or duty that may create (directly or indirectly) a conflict with the director's duties as a director of the company. The disclosure must include full details of the nature, character and extent of the conflict or potential conflict and be made as soon as the director becomes aware of the conflict or potential conflict.

In addition, each director must comply with the requirements in the Corporations Act in relation to the disclosing a material personal interest.

A director who has a material personal interest in a matter being considered at a director's meeting may not be present at that meeting while the matter is being considered and may not vote on that matter, unless the directors present at the meeting (who are not affected by a material personal interest at that time) resolve that the interest should not disqualify the director from being present or from voting or the director would otherwise be entitled to be present and to vote under the Corporations Act.

### **2.5 Meeting frequency**

The Board will schedule a monthly meeting.

### **2.6 Quorum**

Under the Constitution, a quorum is two directors.

### **2.7 Voting**

Under the Constitution, matters are to be decided by a majority of the votes of the directors present and voting.

In the case of equality of votes, the Chairman of the meeting does not have a casting vote in addition to the Chairman's deliberative vote.

### **2.8 Calling meetings and notices**

Under the Constitution, the Chairman must call a meeting of the Board on request by any director.

The Company Secretary is responsible for advising the dates, times and venues for meetings, and distributing papers.

Notice of a meeting may be given mail (electronic or otherwise), personal delivery of facsimile transmission to the usual place of business or residence of the director or any other address given to the Company Secretary by the director.

### **2.9 Meetings by telephone or other means of communication**

Under the Constitution, the Board may meet either in person or by telephone or by using any other technology consented to by all directors. A consent maybe a standing one. A director may only withdraw consent within a reasonable period before the meeting.

A meeting conducted by telephone or other means of communication is considered to be held at the place agreed on by the directors attending the meeting if at least one of the directors present at the meeting was at that place for the duration of the meeting.

### **2.10 Circulating resolution**

A resolution in writing signed by all directors or a resolution in writing of which notice has been given to all directors and which is signed by a majority of directors entitled to vote on the resolution (not being less than the number required for a quorum at a meeting of the Board) is a valid resolution of the Board.

The resolution may consist of several documents in the same form signed by one or more of the Committee members. A facsimile transmission or other documents produced by mechanical or electronic means under the name of a Committee member with the Committee member's authority is considered to be a document in writing signed by the Committee member.

### **2.11 Minutes**

Minutes of all meetings must be kept.

The minutes must be signed within a reasonable time after the meeting by either the Chairman of the meeting or the Chairman of the next meeting.

The minutes must be included in the papers for the next meeting of the Board, together with a schedule of matters outstanding.

### **2.12 Attendees and access to information**

The Board is entitled to seek any information it requires from any company employee or from any other source. It is entitled to meet with employees and third parties without the presence of management.

The Board may, by invitation, request employees and third parties to attend Board meetings.

Each director is entitled to access to Board papers for seven years after the director's appointment ends.

### **2.13 Independent professional advice**

In the furtherance of a director's duties to the company, the director may obtain independent professional advice at the reasonable cost of the company if the Chairman gave approval before the advice was obtained (or if the Chairman refused to give approval, the Board gave approval before the advice was obtained).

### **2.14 Reliance**

A director is entitled to rely on information, or professional or expert advice given or prepared by an employee whom the director believes on reasonable grounds to be reliable and competent in relation to matters concerned or a professional adviser or expert in relation to matters that the director believes on reasonable grounds to be within the person's professional or expert competence provided both the following requirements are met;

- (a) The reliance was made in good faith.
- (b) The reliance was made after making an independent assessment of the information or advice, having regard to the director's knowledge of the company and the complexity and structure and operations of the company.

### **2.15 Directions to management**

The Chairman of the Board is responsible for making sure that matters arising that require the commitment of fund or the commitment of management or external resources are co-ordinated through the Chief Executive Officer.

However, this does not limit the right of a director to obtain information from employees or third parties without the presence of management (see 2.12 above) or to engage professional advisers and experts (see 2.13 above).

### **2.16 Review of Charter and performance**

The Board is to review the following each financial year;

- The performance of the Board against the requirements of this Charter.
- The goals and objectives of the Board in the coming year.
- Any changes to the Charter to make sure it remains consistent with the Board's purpose and responsibilities.

### **2.17 Induction procedure**

The Board is to develop an induction procedure for new members, to make sure new members are adequately acquainted with the Board's purpose, responsibilities and practices. This should include provision of a copy of this Charter, and information on the time commitment needed, as well as specific information about Bendigo Community Telco. The induction procedure should also include meetings with relevant management.