

**A.P. Eagers Limited**  
**ABN 87 009 680 013**

## **BOARD CHARTER**

### **Role of the Board**

This charter sets out the principles for the operation of the Board of Directors of A.P. Eagers Limited and its wholly owned subsidiaries (the Company) and describes the functions and responsibilities of the Board.

The Board has primary responsibility to shareholders for the welfare of the Company by guiding and monitoring its business and affairs.

The Board must at all times act honestly, fairly and diligently in all respects in accordance with applicable laws and relevant policies.

Each of the directors, when representing the Company, must act in the best interests of the Company as a whole.

### **Responsibilities of the Board**

The Board's key responsibilities are to:

- Develop, review and monitor the Company's strategic direction.
- Ensure that effective audit, risk management and compliance systems are in place to safeguard the Company's assets and business and to enable the Company to act ethically and prudently within a strong culture of compliance.
- Select, appoint (and, if appropriate, remove from office), appraise and determine the remuneration and benefits of the CEO.
- Ratify the appointment (and, if appropriate, the removal from office) of the Company Secretary and the Chief Financial Officer.
- Approve the conditions of service and performance monitoring procedures applicable to senior management.
- Review and approve the Company's Financial Statements.
- Approve the following:
  - The annual budget
  - The remuneration and conditions of service, including financial incentives, for senior executives, including the Company Secretary and the Chief Financial Officer at least annually.
  - Significant changes to organisational structure and the appointment of such senior officers as the Board may determine.
  - The acquisition, establishment, disposal or cessation of a significant asset of the Company.
  - The issue of any shares, options, equity instruments or other securities in the Company.

- Any public statements which reflect significant issues of the Company's policy or strategy.
- Monitor management's performance and the Company's financial results on a regular basis.
- Delegate powers to the CEO as necessary to enable the day to day business of the Company to be carried on, and to regularly review those delegations.
- Act in accordance with the Company's Constitution.

### **Board Membership**

The board shall comprise a majority of non-executive directors at all times whose mix of skills will, as determined by the Board, best serve the Company's purposes.

The full Board determines the Board size and composition, subject to the limits imposed by the Company's Constitution. Clause 80 of the Constitution provides for a minimum of three Directors and a maximum of seven.

The directors shall appoint as chairperson one of the non-executive directors who satisfies the criteria for independence.

### **Independence**

A director will be considered independent if the Board so determines after taking into account the guidelines set down by the Australian Stock Exchange in their publication "Principles of Good Corporate Governance and Best Practice Recommendations".

### **Role of Chairman**

The Chairman presides over Board and General Meetings of the Company and is responsible for ensuring that the meetings are conducted competently and ethically and that the members individually and as a group, have the opportunity to air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the Company.

In addition the Chairman has specific responsibilities:

- To ensure that Board members are well briefed and have adequate access to information on the Company's operations.
- To act as primary counsellor to the Managing Director.
- To represent the views of the Board to the public on appropriate occasions.
- To be the Board's representative in dealing with management to ensure its views are communicated clearly and accurately.

### **Board Meetings**

The Board meets eleven times a year as a general rule and whenever necessary to deal with urgent matters that arise between scheduled meetings.

### **Board Committees**

The Board may from time to time establish committees comprising some or all of its members to assist it in carrying out its responsibilities. It currently has one standing committee, an Audit Committee composed of two independent non-executive directors and one non-independent non-executive director.

The Board as a whole undertakes the duties normally associated with Nomination Committees, Remuneration Committees and Risk Management Committees.