

# **Board Charter**

## **A.P. Eagers Limited**

### **1 Role of the Board**

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This charter sets out the principles for the operation of the Board of Directors of A.P. Eagers Limited (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.

### **2 Responsibilities of the Board**

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The Board's key responsibilities are to:

- Appoint the Chairman of the Board.
- Develop, review and monitor the Company's strategic direction.
- Set the risk appetite within which management is expected to operate.
- 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.
- Oversee management's implementation of the Company's strategic objectives and its performance generally.
- Select, appoint (and, if appropriate, remove from office), appraise and determine the remuneration and benefits of the CEO.
- Approve the conditions of service and performance monitoring procedures applicable to the CEO.
- Ratify the appointment (and, if appropriate, the removal from office) of the Company Secretary, the Chief Financial Officer and any other senior executives as the Board may determine.
- Oversee the integrity of the Company's accounting and corporate reporting systems, including the external audit.
- Review and approve the Company's financial statements.
- Monitor the Company's financial results on a regular basis.
- Approve the following:
  - The operating budget and major capital expenditure.
  - Significant changes to organisational structure.
  - The acquisition, establishment, disposal or cessation of significant assets of the Company.
  - The issue of any shares, options, equity instruments or other securities in the Company.
  - The Company's remuneration framework.
  - Any public statements which reflect significant issues concerning the Company.
- Oversee the Company's process for making timely and balanced disclosure under the continuous disclosure regime.

- Delegate powers to the CEO as necessary to enable the day-to-day business of the Company to be carried on and any other delegations as the Board may determine, and to regularly review those delegations.
- Act in accordance with the Company's constitution.

### **3 Responsibilities of Management**

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The CEO is responsible for:

- Implementing the strategic objectives and carrying on the day-to-day business of the Company, within the risk appetite set by the Board.
- In consultation with the Board, reviewing the performance of other senior management on an ongoing basis and their remuneration, financial incentives, reward framework, conditions of services and performance monitoring procedures, at least annually.
- Providing the Board with accurate, timely and clear information to enable the Board to fulfil its responsibilities.

### **4 Board Membership**

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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 46 of the constitution provides for a minimum of three Directors and a maximum of ten.

The Directors shall appoint as Chairman one of the non-executive Directors who is considered by the Board to be independent.

### **5 Independence**

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A Director will be considered independent if the Board believes the Director to be 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
- act in the best interests of the Company and its shareholders generally.

The Board may have regard to any factors considered relevant in the circumstances, including any guidelines issued by the ASX Corporate Governance Council.

### **6 Role of Chairman**

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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 members of the Board 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 and timely access to information on the Company's operations.
- To act as primary counsellor to the CEO.
- 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.

## **7 Board Meetings**

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The Board meets at least eight times a year as a general rule and at other times when necessary to deal with urgent matters that arise between scheduled meetings.

## **8 Board Committees**

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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, Risk & Remuneration Committee which has its own Board-approved charter.

The Board as a whole undertakes the duties normally associated with a Nomination Committee.

## **9 Independent Professional Advice**

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To assist in the proper discharge of their responsibilities, Directors are entitled to obtain independent professional advice at the Company's expense with the Chairman's prior approval, which is not to be unreasonably withheld.