



Zyber Holdings Ltd  
ACN 131 090 947

## **CORPORATE GOVERNANCE POLICIES**

### **BOARD CHARTER**

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#### **PART A – DEFINING GOVERNANCE ROLES**

##### **1. ROLE OF THE BOARD**

###### **1.1 Function**

The Board of Directors of Zyber Holdings Ltd (“ZYB”) at a meeting held on 31 August 2016 have approved the following charter formalising the functions and responsibilities of the Board (Board Charter). The Board is ultimately responsible for all matters relating to the running of the Company.

The Board’s role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board has the final responsibility for the successful operations of the Company. In general, it is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company. In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

###### **1.2 Objective**

The objective of the Board is to provide an acceptable rate of return to the Company’s shareholders taking into account the interests of the company’s employees, customers, suppliers, lenders and the communities in which it operates.

###### **1.3 Responsibilities**

The Board is responsible for:

- Overseeing and approving the Company's strategic and operating objectives;
- Reviewing and approving the Company's financial position, systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestments;
- Being responsible for the Company’s senior management and personnel including appointing and, where appropriate, removing the Chairman;
- Ratifying the appointment, and where appropriate, the removal of the Managing Director (if applicable) and the Company Secretary;
- Evaluating the performance of the executive directors and the Senior Management Team and determining their remuneration;
- Delegating appropriate powers to the executive directors and senior management to ensure the effective day-to-day management of the business and monitoring the exercise of these powers;
- Ensuring that policies and procedures are in place consistent with the Company's objectives, and that the Company and its officers act legally, ethically and responsibly in all matters.
- Ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through the Chairman, being the key interface between the Company and its shareholders.

## **2. BOARD STRUCTURE**

### **2.1 Number of Directors**

The Board has determined that, consistent with the size of the Company and its activities, the Board shall currently be comprised of four Directors, three of whom, are non-executive.

The Board recognises that best practice occurs when the Board comprises a majority of non-executive directors.

### **2.2 Appointment of Directors**

The membership of the Board, its activities and composition is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, ability to contribute to Board's duties and responsibilities.

A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

### **2.3 Duration of Appointment**

In the interest of ensuring a continual supply of new talent to the Board, all Directors with the exception of the Managing Director will serve for a period of three years before they are requested to stand down for re-election. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, the Board may revoke any appointment.

Subject to the requirements of the Corporations Act 2001, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director.

## **3. THE ROLE OF INDIVIDUAL DIRECTORS**

### **3.1 Expectations of Directors in Board Process**

At the Company, it is expected that Directors shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board.

Directors are expected to be forthright in Board meetings and have a duty to question, request information, raise any issue, and fully canvas all aspects of any issue confronting the Company, and cast their vote on any resolution according to their own judgment.

Outside the boardroom, however, Directors will support the letter and spirit of Board decisions in discussions with all stakeholders including any shareholders, special interest groups, customers, staff, suppliers and any other parties.

Directors will keep confidential all Board discussions and deliberations. Similarly, all confidential information received by a Director in the course of the exercise of the Director's duties remains the property of the Company and is not to be discussed outside the boardroom. It is improper to disclose it, or allow it to be disclosed, unless that disclosure without appropriate authorisation.

### **3.2 Conflict of Interest and Related Party Transactions**

#### *3.2.1 Conflicts of Interest*

Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the Director and the interests of the Company. Whether an interest is material or not is covered by the materiality threshold set by the board. On appointment, Directors will have an opportunity to declare any such interests and they will be entered into the Company's Register of Ongoing Conflicts of Interests.

Directors should update this disclosure by notifying the Company Secretary in writing as soon as they become aware of any conflicts. Directors are also expected to indicate to the Chairman any actual or potential conflict of interest situation as soon as it arises. To ensure Directors have an opportunity to disclose new conflicts of interest, the first agenda item for each Board meeting will be the disclosure of any conflicts of interest. Any amendments to disclosures are to be tabled at this time and entered into the Register of Ongoing Conflicts of Interest.

The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot or is unwilling to remove a conflict of interest then the Director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates. The entry and exit of the Director concerned will be minuted by the Company Secretary. Directors do not have to absent themselves when either (a) conflict of interest relates to an interest common to all Company members/shareholders or (b) the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the other Directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.

### **3.2.2 Related Party Transactions**

Related party transactions include any financial transaction between a Director or officer and the Company and will be reported in writing to each Board meeting.

In general, the *Corporations Act* requires related party transactions to be approved by the shareholders; the Board cannot approve these transactions. An exemption to this requirement occurs where the financial benefit is given on arm's length terms.

To assist the Board in showing that a financial benefit, such as the awarding of a contract to a company in which a Director is a partner, is given on arm's length terms, the process outlined below (Potential Related Party Transaction) will be followed. The Board has also resolved that where applications are made by a related party to a Director or officer of the Company then the Director or officer shall exclude himself/herself from the approval process.

Related party for this process means:

- (a) a spouse or de facto spouse of the Director or officer; or
- (b) a parent, son or daughter of the Director or officer or their spouse or de facto spouse; or
- (c) an entity over which the Director or officer or a related party defined in (a) or (b) has a controlling interest.

The Company Secretary will maintain a Register of Related Parties Transactions as well as the Register of Ongoing Conflicts of Interests to be tabled at each board meeting.

### **3.4 Emergency Contact Procedures**

As there is the occasional need for urgent decisions, Directors should leave with the Company Secretary any contact details, either for themselves or for a person who knows their location, so that all Directors can be contacted within 24 hours in cases of a written resolution or other business.

## **4. THE ROLE OF THE CHAIRMAN**

The Chairman's role is a key one within the Company. The Chairman is considered the "lead" Director and utilises his/her experience, skills and leadership abilities to facilitate the governance processes.

There are two main aspects to the Chairman's role. They are the Chairman's role within the boardroom and the Chairman's role outside the boardroom.

### **4.1 Inside the Boardroom**

Inside the boardroom the role of the Chairman is to:

1. Establish the agenda for Board meetings in consultation with the Board;
2. Chair Board meetings. It is common practice that if the Chairman is not present within 10 minutes after the time appointed for the holding of that meeting, a Director chosen by a majority of Directors present shall assume the role;
3. Be clear on what the Board has to achieve, both in the long and short term;
4. Provide guidance to other Board members about what is expected of them;
5. Ensure that Board meetings are effective in that:
  - the right matters are considered during the meeting (for example, strategic and important issues);
  - matters are considered carefully and thoroughly;
  - all Directors are given the opportunity to effectively contribute; and
  - the Board comes to clear decisions and resolutions are noted;
6. Brief all Directors in relation to issues arising at Board meetings;
7. Ensure that the decisions of the Board are implemented properly;
8. Ensure that the Board behaves in accordance with its Code of Conduct; and
9. Commence the annual process of Board and Director evaluation.

### **4.2 Outside the Boardroom**

Outside the boardroom the role of the Chairman is to:

1. In conjunction with the Board, undertake appropriate public relations activities;
2. Be the spokesperson for the Company at the AGM and in the reporting of performance and profit figures;

3. Be kept fully informed of current events on all matters which may be of interest to Directors;
4. Regularly review senior officers progress on important initiatives and significant issues facing the Company;
5. Provide mentoring for the Senior Management; and
6. Initiate and oversee the annual Senior Management's evaluation process.

#### **5. THE ROLE OF THE COMPANY SECRETARY**

The Company Secretary are charged with facilitating the Company's corporate governance processes and so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively. The Company Secretary are accountable to the Board, through the Chairman, on all governance matters and reports directly to the Chairman as the representative of the Board. The Company Secretary are appointed and dismissed by the Board and all Directors have as of right access to the Company Secretary.

The tasks of the Company Secretary shall include:

##### **Meetings and Minutes**

- notifying the directors in writing in advance of a meeting of the Board as specified in the Constitution;
- ensuring that the agenda and Board papers are prepared and forwarded to Directors prior to the Board meeting as set out in the Board Policy Manual;
- recording, maintaining and distributing the minutes of all Board and Board Committee meetings as required;
- maintaining a complete set of Board papers at the Company's main office.
- preparing for and attending all annual and general meetings of the Company; and
- recording, maintaining and distributing the minutes of all general meetings of the Company.

##### **Compliance**

- overseeing the Company's compliance program and ensuring all Company legislative obligations are met;
- ensuring all requirements of ASIC, the ATO and any other regulatory body are fully met; and
- providing counsel on corporate governance principles and Director liability.

##### **Governance Administration**

- maintaining the Register of Ongoing Conflicts of Interests and the Register of Related Party Transactions;
- maintaining a Register of Company Policies as approved by the Board;
- maintaining, updating and ensuring that all directors have an up-to-date copy of the Board Charter and associated governance documentation;
- maintaining the complete list of the delegations of authority;
- reporting at each Board meeting the documents executed under a power of attorney, documents executed in accordance with section 127 of the Corporations Act, and reporting on the use of the seal register; and
- any other services the Chairman or Board may require.

#### **6. THE ROLE OF THE EXECUTIVE DIRECTOR**

The Executive Director (ED) is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board. The position reports directly to the Board.

The ED's primary objective is to ensure the ongoing success of the Company through being responsible for all aspects of the management and development of the company. The ED is of critical importance to the Company in guiding the company to develop new and imaginative ways of winning and conducting business. The ED must have the industry knowledge and credibility to fulfil the requirements of the role.

The ED will manage a team of executives responsible for all functions contributing to the success of the Company.

The ED's specific responsibilities will include:

- Develop, in conjunction with the Board, the Company's vision, values, and goals;
- Responsibility for the achievement of corporate goals and objectives;
- Development of short, medium and long term corporate strategies and planning to achieve the Company's vision and overall business objectives;

- Preparation of business plans and reports with the senior management; developing with the Board the definition of ongoing corporate strategy; implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;
- Advise the Board regarding the most effective organisational structure and oversee its implementation;
- Assessment of business opportunities of potential benefit to the Company;
- Responsibility for proposals for major capital expenditure to ensure their alignment with corporation strategy and justification on economic grounds;
- Sustain competitive advantage through maximising available resources, encouraging staff commitment and strategically aligning the corporate culture with the organisation's goals and objectives;
- Establish and maintain effective and positive relationships with Board members, shareholders, customers, suppliers and other government and business liaisons;
- Undertake the role of key company spokesperson;
- Recommend policies to the Board in relation to a range of organisational issues including delegations of authority, consultancies and performance incentives;
- Ensure statutory, legal and regulatory compliance and comply with corporate policies and standards;
- Ensure appropriate risk management practices and policies are in place;
- Develop and motivate direct reports and their respective teams;
- Select and appoint key staff (direct reports); and
- Ensure there is an appropriate staff appraisal system in place in the Company.

## **PART B – BOARD PROCESSES**

### **7. BOARD MEETINGS**

Board meetings are a fundamental component of governance processes. Each Board meeting is critical, as it is the main opportunity for directors to:

- obtain and exchange information with the senior management team;
- obtain and exchange information with each other; and
- make decisions.

The Board meeting agenda is equally as important because it shapes the information flow and subsequent discussion.

#### **7.1 Meeting Frequency**

The Board will meet at least quarterly and as otherwise required.

#### **7.2 Meeting Location**

The Board currently meets at Level 11, 216 St Georges Terrace, Perth WA 6000.

#### **7.3 Meeting Cycle**

To assist the smooth running of Board processes, the Board has adopted an indicative monthly cycle as follows.

- Circulate Agenda and Board Papers to the Board and invitees 5 days prior to the meeting
- Draft minutes of meeting to be sent to Chairman and other directors within 14 days following the meeting.

Please note, that this is an indicative cycle only. The actual timing of events in the lead up to and follow up from Board meetings will be dependent upon the circumstances surrounding each individual meeting.

#### **7.4 Conduct of Meeting**

The Chairman will determine the degree of formality required at each meeting while maintaining the decorum of such meetings. As such, the Chairman will:

- ensure that all members are heard;
- retain sufficient control to ensure that the authority of the Chair is recognised. This may require a degree of formality to be introduced if this is necessary to advance the discussion;
- take care that the decisions are properly understood and well recorded; and

- ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached.

When the Chairman does not arrive within 10 minutes after the time appointed for the holding of the meeting, or is unable or unwilling to act, the directors involved must elect one of their number to be a chairman of the meeting.

### **7.5 Quorum and Voting at Meetings**

In order for a decision of the Board to be valid, a quorum of directors must be present. As per Clause 13.14 of the Company's Constitution, the number of Directors whose involvement is necessary to constitute a quorum is two (2), or such greater number as determined by the Directors from time to time. Questions arising at Board meetings are to be decided by a majority of votes of Directors who are present and entitled to vote.

### **7.6 Emergency Decision Making – Written Resolutions**

As per Clause 13.25 of the Company's constitution, a resolution in writing signed by all Directors for the time being, or their respective alternate Directors, shall be valid and effectual as if it had been passed at a Directors' meeting duly convened and held. Any such resolution may consist of several documents in the like form but each document must contain a statement that the directors are in favour of the resolution and the wording of the resolution and the statement of the Directors must be identical, each document signed by one or more Directors.

## **8. BOARD MEETING AGENDA**

### **8.1 Agenda Content**

An agenda will be prepared for each Board and Committee meeting. In general, it may contain some or all of the following topics:

- Minutes of the previous meeting / Matters arising
- Operations;
- Corporate Matters
- Cashflow;
- Potential investments, acquisitions;
- Share Registry / Investor Relations;
- Other Business

### **8.2 Agenda Preparation**

The Company Secretary, in consultation with the Chairman are responsible for preparing an agenda for each Board meeting. However, any director may request items to be added to the agenda for upcoming meetings. The Company Secretary circulates the agenda to all directors with the Board papers at least seven days prior to the meeting.

## **9. BOARD PAPERS**

### **9.1 Preparation and Circulation of Board Papers**

The Company Secretary together with the Executive Director are responsible for the preparation and circulation of Board papers. The Board papers will be circulated to all Directors prior to the Board meeting. If a Board paper relates to a matter in which there is a known conflict of interest with a particular Director then the relevant Board paper will be removed by the Company Secretary on the instructions of the Chairman, from the set of Board papers sent to that Director. In the case of the Chairman having a conflict of interest, the Board will appoint another Director to make final decisions on the forwarding of Board papers to the Chairman.

### **9.2 Retention of Board Papers**

The Company Secretary maintains a complete set of Board papers at the Company's headquarters. However, individual Directors may retain their own Board papers in a secure location.

## **10. BOARD MINUTES**

Minutes are to be a concise summary of the matters discussed at a Board Meeting. Minutes will contain a brief reference to relevant Board papers tabled plus any official resolutions adopted by Directors. All decisions will be recorded in the minutes by means of a formal resolution.

## **11. COMMITTEES**

The Board has decided that there is no current requirement for the formation of any committees outside of the Board forum.

## **PART C – KEY BOARD FUNCTIONS**

### **12. THE BOARD AND STRATEGY**

Each year the Board will approve a formal strategic planning process that articulates the respective roles and levels of involvement of the Board, Senior Management and other employees and will review the strategic plan for the Company.

### **13. COMPLIANCE**

The Board is charged with overseeing, reviewing and ensuring the integrity and effectiveness of the Company's compliance systems. The Chairman with input from the Company Secretary are responsible for overseeing the Company's compliance systems and reporting to the Board on those systems.

## **PART D – CONTINUING IMPROVEMENT**

### **14. DIRECTOR PROTECTION**

#### **14.1 Information Seeking Protocol**

Directors will adhere to the following protocol when seeking information:

1. approach the Executive Director to request the required data;
2. if the data is not forthcoming, approach the Chairman;
3. if the information is still not forthcoming, write a letter to all Board members and the Executive Director detailing the information that is required, purpose of the information, and who the Director intends to approach in order to obtain the information; and
4. as a last resort, employ the provisions of the *Corporations Act*.

#### **14.2 Access to Professional Advice**

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably. If appropriate, any advice so received will be made available to all Board members.

#### **14.3 Access to Board Papers**

The Directors have the right to access board papers as granted by the *Corporations Act*.

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Dated: 31 August 2016