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# Board Charter

## Whitefield Industrials Limited

This Board Charter was approved on 17 November 2022.

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## The Role of the Board

The Company's primary objective is to provide shareholders with long term investment returns from a portfolio of Australian shares. The Board's role is to facilitate the satisfactory achievement of this overarching objective, while carefully controlling risk and meeting obligations to parties with which it interacts.

## Specific Responsibilities of the Board

The Board is specifically responsible for:

- Prudential control of the Company's operations including:
  - i. Ensuring that Whitefield operates in accordance with the Company's Constitution, the Corporations Act, the ASX listing rules and any other applicable laws;
  - ii. The development and approval of policies to guide board and committee members and executive management on matters including but not limited to values, culture, reputation, ethical standards and risk management;
  - iii. The development and monitoring of the company's Risk Management Framework which encompasses executive operations, internal controls, accounting and corporate reporting systems, external audit and the provision of all relevant information to the Board;
  - iv. Monitoring the effectiveness of the company's Governance practices
- The resourcing, review and monitoring of executive management and business outcomes, including challenging and holding management accountable;
- The timeliness and accuracy of external reporting to shareholders and all other disclosure requirements;
- Considering and approving material company expenditure when required;
- Satisfying itself that the Company's remuneration policies are aligned with Whitefield's objectives, values and risk appetite;
- Approving the remuneration for Directors after due consideration of any recommendation from the Remuneration Committee;
- Developing, validating and approving the Company's overall corporate objectives and strategy in conjunction with executive management;
- The selection, appointment and monitoring of the investment manager and other service providers;
- Capital management initiatives including:
  - i. The issue of shares or other securities;
  - ii. The buy-back of its shares; and
  - iii. The declaration and payment of dividends
- Appointment of a Company Chairperson, a Deputy Chairperson (where appropriate) and Company Secretary.

## Composition of the Board

The Board structure is based on the following principles:

- The board to consist of a minimum of three and not more than five directors (other than the managing director);
- A majority of the board to be independent, non-executive directors;
- The board to contain a balance of both non-executive and executive directors (including the managing director) to ensure that decision making appropriately embraces both external and internal knowledge and experience;
- The Chairman of the Board to be either independent, or where non-independent, a senior independent director shall fill the role of Deputy Chairman in situations where the Chairman is conflicted.

### Independence of Directors

An independent director is considered to be a director:

- (a) who is not an executive;
- (b) who has not within the last three years been employed in an executive capacity by the Company or been a principal of a professional adviser or consultant to the Company;
- (c) is not a significant supplier to the Company;
- (d) is not in receipt of performance based remuneration;
- (e) has no material contractual relationship with the Company other than as a director; and
- (f) is free from any interest or business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company.

In the context of director independence, "materiality" is considered from both the company and individual director's perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing that relationship.

### Appointment and Renewal

The Company's Constitution requires directors other than the managing director to retire and seek re-election at least every three years. Any new Director appointed, other than the managing director, must seek election at the next Annual General Meeting following their appointment.

At Each Annual General meeting, one-third of directors (except for the managing director) must retire by rotation in accordance with the Constitution. Retiring directors can stand for re-election.

Details on the qualifications, experience and (if appropriate) length of tenure of a director standing for election, a statement by directors on the independence of the candidate and a statement by directors as to their support for the candidate's election shall be provided to all shareholders within the Notice of Meeting. Where a new director is proposed for election, a statement shall also be included confirming that appropriate background checks have been completed, and disclosing any relevant information so obtained. Candidates for election shall be provided with an opportunity to speak to shareholders at the Annual General Meeting prior to a vote on their election being taken.

The Company holds a written agreement with each Director setting out the terms of their appointment.

A newly appointed Director to the Board shall be issued with a copy of all Company Policies and Charters, and is provided with opportunities to meet and liaise with investment management and administration personnel. Within the annual Board review process, the Nomination Committee considers and encourages Board members to undertake appropriate levels of professional development.

### Nomination Committee

The Board has established a Nomination Committee which operates under its own formal charter. The Nomination Committee is responsible for the determination of the appropriate size and composition of the Board, criteria for Board membership, the assessment of Board independence, identification and review of potential candidates, including the conduct of appropriate checks into a prospective director's background including their character, education, currency of experience, other executive or Board commitments, criminal or bankruptcy records, terms and conditions of appointment to and retirement from the Board, and the assessment of Board performance. The Nomination Committee conducts the background checking process on both executive and non-executive directors and the Company Secretary.

The Committee utilises a skills matrix when assessing Board composition. The Committee's target is to ensure that director's skills collectively include investment, accounting, taxation, general business experience and shareholder representation.

### **Diversity Policy**

The Company has a Diversity Policy which recognises the importance and benefits of being able to attract, retain and motivate Board members from the widest possible pool of available talent. The Company seeks to have no barriers to the selection or retention of Board members relating to disability, ethnicity, marital or family status, religious or cultural background, sexual orientation or gender, and will purely seek to select Board members on the basis of their merit on relevant metrics. The Company considers the impact of size in the practical implementation of its diversity policy, and accordingly does not believe it would be practical to set measurable objectives to achieve diversity.

### **Operation of the Board**

The Board currently holds eight scheduled meetings each year plus any other meetings as and when necessitated by the Company's operations. A quorum of three is required for the operation of the Board.

The agenda for meetings is prepared by Company Secretary utilising the input of the Chairman, Managing Director, Non-Executive Directors and executives. The agenda for scheduled meetings may include matters of compliance, governance, financial outcomes, financial position and shareholder communications. As and when required the agenda will include updates to educate directors on material changes in regulation and law. The agenda and materials are circulated in advance of all meetings. Minutes are prepared as an accurate record of proceedings shortly after each meeting.

Each director has the right of direct access to the Company Secretary and executive directors and subject to the approval of the Board to executive staff.

Directors may seek independent professional advice, when required to properly discharge their responsibilities, at the entity's expense with the prior approval of the Board. A copy of advice received by a director shall be made available to all other members of the Board.

### **Role & Responsibilities of Chairman and Deputy Chairman**

The Chairman is responsible for:

- Leading the Board;
- Facilitating the effective contribution of all directors;
- Promoting constructive and respectful relations between directors and management;
- Approving agendas and ensuring adequate time for items to be addressed

The Deputy Chairman is responsible for:

- Identification of situations where the Chairman may be subject to a conflict of interest;
- Taking on the role of Chairman in circumstances where the Chairman is conflicted

The Chairman and Deputy Chairman shall be elected by the Board of Directors and may determine the period for which they are to hold office. In the absence of the Chairman the Board may appoint one of their number to fill such temporary vacancy for that meeting.

### **Company Secretary**

The Company Secretary is appointed by and accountable directly to the Board and is responsible for:

- The effective functioning of the Board and Committees in accordance with the Company's policies and procedures;
- The timely distribution of materials to the Board and Committees and accurate minuting of meetings; and
- Maintaining an efficient process of communication directly with Board and Committee members.

### **Performance Assessments**

The Chairman of the Board and one other director, shall conduct a formal annual review of Board member performance, including the consideration of director commitments, currency of director experience, professional development requirements and aggregate Board effectiveness, involving both a structured assessment and one-

on-one meetings. The Chairman of the Nomination Committee conducts a similar review on the Board Chairman. Both the Board and Committee Chairman report on the outcome of these meetings to the Nomination Committee.

The Audit & Risk Committee undertakes a review of the Managing Director and Investment Manager's performance against relevant qualitative and quantitative measures and brings to the Board an assessment of the Managing Director's and Investment Manager's performance.

### **Board Committees**

To assist in carrying out its responsibilities the Board has established an Audit & Risk Committee, a Nomination Committee and a Remuneration Committee. Each Committee operates under its own formal charter.

The primary responsibilities of each committee are as follows:

- (a) The Nomination Committee is responsible for the determination of the appropriate size and composition of the Board, criteria for Board membership, the assessment of Board independence, identification and review of potential candidates, terms and conditions of appointment to and retirement from the Board, and the assessment of Board performance.
- (b) The Audit & Risk Committee is responsible for the review of (1) The Company's accounting policies and the content of financial statements; (2) The Company's risk management and internal control framework, including taxation risks and controls (3) The conduct, effectiveness and independence of the external audit and (4) Periodic review of the Managing Director and Investment Manager.
- (c) The Remuneration Committee is responsible for overseeing the remuneration of non-executive directors and considering and determining the contractual arrangements with the Administrator and Investment Manager.

### **Board Policies**

The board has also established a range of policies which govern its operation and the actions of executives. These policies are:

- Code of Conduct and Ethics
- Diversity Policy
- Risk Management Policy
- Disclosure Policy
- Securities Trading Policy

The Board reviews each of these policies every 5 years to ensure that they:

- remain appropriate for the size of the Company and the nature of its activities; and
- continue to meet the corporate governance standards to which the Board is committed.