

Board Charter

Artrya Limited

Adopted by the Board on 23 September 2021

1 Introduction

The Board of the Company has adopted this Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws.

This Charter includes an overview of:

- Board composition and process; and
- the relationship and interaction between the Board, Board Committees and management.

The Board Charter and the charters adopted by the Board for its standing Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

2 Board composition

2.1 Board composition and size

- The Board determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- It is intended that the Board should comprise a majority of independent Non-executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- The Board will review the skills, experience, expertise and diversity represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Company's strategy and covers the skills needed to address existing and emerging business and governance issues relevant to the entity. The Board will have regard to this review when considering Board succession planning and ongoing Director education program.

2.2 Director independence and tenure

- The Board only considers a Director to be independent where he or she is free of any interest, position, or relationship that might influence, or might reasonably be perceived to influence, in a material respect his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party. The Board has adopted a definition of independence based on that set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (4th edition) (see Attachment 1).
- The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in the Company and its operation and, therefore, an increasing contribution to the Board as a whole. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall Board process.
- The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non-executive Director to the Board.

3 Board role and responsibilities

3.1 Board role

The Board's role is to:

- represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives and reviewing management performance;
- protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards and demonstrating leadership); and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

3.2 Board responsibilities

The responsibilities of the Board include:

- Selecting, appointing and evaluating from time to time the performance of, and determining the remuneration of, the Managing Director (**MD**);
- Contributing to and approving management development of corporate strategy, including defining the Company's purpose, setting strategic objectives and approving operating budgets;
- Monitoring corporate performance and management's implementation of the Company's strategy and promotion of the Company's values;
- Approving the risk appetite within which the Board expects management to operate;
- Monitoring systems of risk management, internal control and legal compliance. This includes reviewing procedures to identify the main financial and non-financial risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- Approving major capital expenditure, acquisitions and divestitures, and overseeing capital management, including approving dividend payments;
- Authorising the issue of any shares, options, equity instruments or other securities, subject to any laws, regulations or requirements of any securities exchange on which the Company's securities are listed that may require the approval of the Company's shareholders to be obtained
- Monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- Approving financial reports, profit forecasts and other reports required at law or under the ASX Listing Rules to be adopted by the Board;
- Overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- Approving the Company's values and monitoring corporate culture;
- Approving the Company's Code of Conduct and ensuring that arrangements are in place for dissemination to all employees, including communicating the importance of the Code of Conduct;
- Receiving information regarding material breaches of the Code of Conduct and Anti-Bribery and Corruption Policy and reports of material incidents under the Company's Speak Up Policy;
- Setting and reviewing the Company's governance policies;

- Approving the measurable objectives for achieving gender diversity in the composition of the Board, Executive Team and workforce generally and assessing the Company's progress in achieving those objectives;
- Annually reviewing the relative proportions of women and men on the Board, in senior executive positions, and across the whole workforce;
- Satisfying itself that the Company's remuneration framework is aligned with the Company's purpose, values, strategic objectives and risk appetite;
- Setting performance targets for the MD, considering performance against those targets and determining remuneration outcomes;
- Reviewing succession plans for the MD and other members of the Executive Team and identify candidates for the position of MD and other members of the Executive Team where required;
- Evaluating, at least annually, the performance of the Board, its Committees and individual Directors in accordance with the process set out in Attachment 2;
- Reviewing the Board Skills Matrix and approving the criteria for nomination as a Director and the membership of the Board generally, including:
 - reviewing the re-election of Directors, subject to the principle that a Board member must not be involved in reviewing the re-election of themselves; and
 - identifying qualified individuals for nomination to the Board, in accordance with the policy outlined in Attachment 3;
- Monitoring that processes are in place to support Director induction and ongoing education; and
- Performing such other functions as are prescribed by law or nominated by the Board from time to time.

3.3 Director responsibilities

- Directors will act at all times with honesty and integrity and will demonstrate the highest standards of ethical behaviour.
- Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.
- Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.
- The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair, or the Board as a whole.

4 Delegation of duties and powers

4.1 Delegation to Committees

- The Board from time to time establishes Committees to streamline the discharge of its responsibilities.
- The Board adopts a formal charter for each standing Committee setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- The permanent standing Committees of the Board are the Audit and Risk Committee and the Remuneration and Nomination Committee.
- The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.

4.2 Delegation to management

- While the Board retains ultimate responsibility for the strategy and performance of the Company, the day-to-day operation of the Company is conducted by, or under the supervision of, the MD as directed by the Board.

- The Board approves strategic objectives for the MD to work towards and, jointly with the MD, develops the duties and responsibilities of the MD.
- The Board will approve the delegations of authority (financial and non-financial) that have been made to management and work with management to review on a periodic basis the delegations of authority.
- The management team (being the MD and other personnel to whom the management function is properly delegated by the MD):
 - is responsible for implementing strategic objectives, plans and budgets approved by the Board; and
 - is accountable to the Board for matters within its delegated authority and for complying with any limits on that authority, including complying with the law and company policies.
- Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- The Board is responsible for satisfying itself that the Board reporting framework is appropriate. Directors are entitled to request additional information at any time when they consider it appropriate.
- The Board will regularly monitor the performance of the MD and Executive Team and where required, provide feedback to and challenge the MD and Executive Team.

5 Board / Director processes

5.1 Role of Non-Executive Directors

Non-executive Directors collectively should:

- Challenge and contribute to the development of strategy;
- Scrutinise the performance of management against agreed objectives, and monitor the reporting of performance;
- Review and where appropriate, challenge proposals presented by management;
- Request additional information where they consider that information necessary to support informed decision-making;
- Take reasonable and proper steps to satisfy themselves that there are adequate and proper financial controls and systems of risk management and internal compliance, and that the controls are maintained and the systems robust.

5.2 Disclosure of Appointments and Activities

Before appointment, non-executive Directors must disclose to the Chair the nature and extent of their other appointments and activities and, when advising their willingness to accept appointment, demonstrate that they understand what is expected of them and confirm that they are willing to make the necessary commitments, and will have available the time required, to discharge their responsibilities.

5.3 Chair's Consent to External Appointments

Prior to the acceptance of any relevant external appointments, Non-executive Directors should obtain the Chair's consent. Relevant appointments include any appointment with potential to:

- Cause a conflict of interest for the Director;
- Affect the Director's independence;
- Have reputational consequences for the Company; or
- Place demands on the Director's time that could hinder their ability to attend Board meetings and discharge their responsibilities to the Company.

5.4 Conflicts

A Director must fully and frankly inform the Board or the Chair, as soon as the Director is aware of any conflict or potential conflict of interest which that Director may have in relation to any particular matter or item of business. Unless decided otherwise by the other members of the Board, the Director should be absent from discussion and decision on that matter. Directors must comply strictly with Corporations Act requirements and Board policy for the avoidance of conflicts.

The Company Secretary will maintain a register of all possible conflict of interest situations

5.5 Insurance and Indemnity

Deeds should be entered into between Directors severally and the Company, recording arrangements on indemnification, insurance and access to Company documents and independent legal advice at the Company's expense.

5.6 Meetings

- The Board will meet regularly, and Directors will use all reasonable endeavours to attend Board meetings in person.
- Periodically, Non-executive Directors will meet without management present.
- The Company's Constitution governs the regulation of Board meetings and proceedings.

5.7 Chair

- The Board will appoint one of its members to be Chair.
- It is intended that the Chair should be an independent Non-executive Director.
- The Chair represents the Board to the shareholders and communicates the Board's position.
- The Chair is responsible for leading the Board, facilitating effective contribution of all Directors and promoting respectful and constructive communication between Directors and between the Board and management.

5.8 Company Secretary

- The Board will appoint at least one Company Secretary who is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.
- The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- All Directors will have direct access to the Company Secretary.

6 Review of Charter

The Board will, at least once in each year, review the Charter of the Committee to determine its adequacy for current circumstances and any changes that have been made to Committee charters during the year.

Attachment 1

Guidelines of the Board of Directors – Independence of Directors

Without limiting the Board's discretion, the Board has adopted the following guidelines to assist in considering the independence of Directors.

In general, a Director will not be considered to be 'independent' if he/she:

- is, or has been, employed in an executive capacity by the Company and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the Company, or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial shareholder;
- has close personal ties with any person who falls within any of the categories described above; or
- has been a Director of the Company for such a period that their independence from management and substantial shareholders may have been compromised.

Notwithstanding the above, the Board may determine that a Director is independent if the Board is of the view that the interest, position or relationship in question is not material and will not interfere with the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

Attachment 2

Performance evaluation process in relation to the Board and Its Committees

- On an annual basis, Directors will provide written feedback in relation to the performance of the Board, its Committees and individual Directors against a set of agreed criteria.
- Each Committee of the Board will also be required to provide feedback in terms of a review of its own performance.
- Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.
- Feedback will be collected by the Chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees.
- In the case of the Chair of the Board's performance, feedback will be collected by Chair of the Audit and Risk Committee or an external facilitator.
- The MD will also provide feedback from the Executive Team in connection with any issues that may be relevant in the context of the Board performance review.

Attachment 3

Director Appointment and Re-election

Policy for Director selection

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness and promote Board diversity having regard to:
 - the Board Skills Matrix; and
 - the existing composition of the Board;
- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- potential conflicts of interest, and independence.

Procedure for Director selection

- (a) The Board should prepare and consider a description of the role and capabilities required for a particular appointment in light of the balance of skills, knowledge, experience, independence and diversity on the Board.
- (b) Detailed background information in relation to a potential candidate should be provided to all Directors.
- (c) The identification of potential Director candidates may be assisted by the use of external search organisations as appropriate.
- (d) Appropriate checks should be undertaken in relation to all potential candidates. This process may be assisted by the use of an external organisation as appropriate.
- (e) An offer of a Board appointment must be made by the Chair only after having consulted all Directors, with any recommendations from the Board having been circulated to all Directors.
- (f) All new Board appointments should be confirmed by letter in the standard format as approved by the Board from time to time.

Re-election of Directors

Each year, the Board will review each of the Directors who are seeking re-election in light of their independence, the result of their performance review, the Company's succession plans, and any other factor considered relevant to the Director's contribution to the Board. On the basis of its review, the Board will make a decision regarding whether to support the Director's re-election.