



TOURISM &  
LEISURE LTD

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# Board Charter

Apollo Tourism & Leisure Ltd ACN 614 714 742 (**Company**)

**Effective Date:** 6 October 2016 (Revised June 2020)

## **Board Charter**

### **1 Overview**

- (a) The board of directors (**Board**) of the Company is responsible for the good governance of the Company and its controlled entities and to ensure the creation and protection of shareholder value.
- (b) The purpose of this charter is to:
  - (i) promote high standards of corporate governance;
  - (ii) clarify the role and responsibilities of the Board; and
  - (iii) enable the Board to provide strategic guidance for the Company and effective oversight of the management of the company, through the delegation of responsibilities to Board committees or to management.

### **2 Role and RESPONSIBILITIES of the Board**

#### **2.1 Role**

The role of the Board is to provide leadership, strategic guidance and oversight of management for the Company. The Board derives its authority to act from the Company's constitution.

#### **2.2 Responsibilities**

The Board has reserved to itself the following specific responsibilities:

- (a) providing leadership and setting the strategic direction of the Company;
- (b) defining the entity's purpose;
- (c) approving the entity's statement of values and code of conduct to underpin the desired culture within the company;
- (d) overseeing management in its instilling of the entity's values;
- (e) reviewing, on an ongoing basis, how the Company's strategic environment is changing, what key risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted;
- (f) approving the strategic plan, business plan, operating budgets and major capital expenditure;
- (g) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- (h) whenever required, challenging management and holding it to account;

- (i) satisfying itself that the entity's remuneration policies are aligned with the entity's purpose, values, strategic objectives and risk appetite;
- (j) appointment and removal of the Chairman;
- (k) appointment and removal of the Chief Executive Officer (**CEO**) or Managing Director (**MD**);
- (l) appointment and removal of the company secretary, chief financial officer and any other senior executives, taking in to consideration the recommendation of the CEO or MD;
- (m) setting and overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (n) approving and monitoring the acquisition, establishment, disposal or cessation of any significant business or significant changes to organisational structures;
- (o) determining the Company's dividend policy (if any) and overseeing the financing of dividend payments (if any);
- (p) monitoring the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (q) monitoring 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 its securities;
- (r) ensuring that the Company has in place an appropriate risk management framework;
- (s) setting the risk appetite within which the Board expects Management to operate;
- (t) approving the Company's remuneration framework;
- (u) monitoring the effectiveness of the Company's governance practises;
- (v) monitoring and managing the performance of senior management;
- (w) approving and managing succession plans for senior management and other key management positions that may be identified from time to time;
- (x) reviewing and monitoring any related party transactions; and
- (y) monitoring the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements.

## **2.3 Corporate governance**

- (a) The Board is required to:
  - (i) review developments in corporate governance best practice and where necessary, take action in relation to any matters that are relevant to the Company, or to the expectations of the Company's shareholders and other stakeholders;

- (ii) review its policies, practices and procedures and that of its committees in light of the corporate governance requirements set down by regulators, including the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**);
  - (iii) review on an annual basis the adequacy of the Company's corporate governance policies, practices and procedures and take action in respect of any necessary or desirable changes; and
  - (iv) review on an annual basis the Company's compliance with its corporate governance policies.
- (b) The Company's Annual Reporting will include a the preparation of a Corporate Governance Statement, which will contain all necessary content required by the *ASX Corporate Governance Principles and Recommendations* (**Recommendations**) (as well as explanations of any departures from the Recommendations) and will be uploaded to the Corporate Governance section of the corporate website.
- (c) As part of an effective communications strategy, the Company will establish and keep current a dedicated Corporate Governance section of its website for access by the public.

### **3 Board Membership**

#### **3.1 Composition and size**

The Board will consist of a majority of independent non-executive directors. The Company will disclose the names of the directors considered by the Board to be independent directors. The Chairman of the Board will be elected annually by the directors and must be an independent non-executive director.

The directors will determine the size of the Board, subject to the Company's constitution and applicable law, including the rules concerning board limits under the Corporations Act. The Company's constitution provides that there can be no less than three directors. The number of directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making and adequately discharge its responsibilities and duties.

#### **3.2 Board skills matrix**

The Company seeks to have directors with an appropriate range of skills, knowledge, experience, independence and diversity, and an understanding of and competence to deal with current and emerging issues of the business. It will have a Board skills matrix setting out the skills and diversity that the Board has or is looking for in order to identify any gaps in skills that the Board seeks. The Company's succession plans are designed to maintain an appropriate balance of skills, knowledge, experience, independence and diversity on the Board.

#### **3.3 Appointment and re-election of directors**

The process of selection and appointment of new directors to the Board is that when a vacancy arises, the Nomination Committee identifies candidates with appropriate skills, knowledge, experience, independence and expertise. Candidates with the skills, knowledge, experience,

independence and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with the Company's constitution, but must stand for election by shareholders at the next annual general meeting.

Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Executive directors and other senior management will have their roles and responsibilities and the Company's expectations set out in a service contract. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

Directors must retire from office in accordance with the constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chairman of the Board will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). The Board (excluding the Chairman) will conduct the review of the Chairman.

The Company must disclose the length of service of each director.

### **3.4 Independence**

All directors, whether independent or not, should bring an independent judgement to bear on all Board decisions.

A director is considered an independent director if he or she is 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 to act in the best interests of the Company and its security holders.

A director who:

- (a) is, or has been, employed in an executive capacity by the Company or any group member and there has not been a period of at least 3 years between ceasing that employment and serving on the Board;
- (b) is, or has within the last 3 years been, a partner, director or senior employee of a provider of material professional services to the Company or any group member;
- (c) is, or has been within the last 3 years, in a material business relationship (e.g. as a supplier or customer) with the Company or any group member, or an officer of, or otherwise associated with, someone with such a relationship;
- (d) is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- (e) has a material contractual relationship with the Company or another group member other than as a director;
- (f) has close family ties with any person who falls within any of the categories described above; or

- (g) has been a director of the Company for such a period that his or her independence may have been compromised,

will not be independent, unless the Board is satisfied on reasonable grounds that the director is independent despite the existence of one or more of these circumstances. In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to 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 and its security holders generally.

The Nomination Committee will assess the independence of each non-executive director in light of interests disclosed by them at least annually at or around the time that the Nomination Committee considers candidates for election to the Board. Each non-executive director must provide the Board with all relevant information for this purpose. If a non-executive director's interests, positions, associations or relationships change, the assessment should be made as soon as practicable after the Nomination Committee becomes aware of the change.

If the Board determines that a director's independent director status has changed, that determination will be disclosed to the market in a timely manner.

### **3.5 Conduct**

- (a) In giving effect to this charter, the Board will at all times act honestly, fairly, diligently and in accordance with the Company's Constitution and the law.
- (b) Directors are required to comply with Board policies in relation to disclosing and managing conflicts of interest, dealing in the Company's securities and other rules applicable to directors as adopted by the Board from time to time.
- (c) Non-executive directors are required to consult with the Chairman before accepting any new commitments which may impact on the time they have available to undertake their responsibilities as a director of the Company.
- (d) Each director is expected to observe the highest standards of corporate governance and act in a manner consistent with the Company's Code of Conduct.

## **4 Role and responsibility of Chair and company secretary**

### **4.1 Chair**

The Chair will be an independent non-executive director, selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.

The Chair should not be the same person as the CEO or MD.

The Chair is responsible for:

- (a) leadership of the Board;
- (b) overseeing the Board in the effective discharge of its supervisory role;

- (c) chairing Board and general meetings;
- (d) the efficient organisation and conduct of the Board's function and meetings;
- (e) promoting constructive and respectful relations between directors and between the Board and management;
- (f) facilitating the effective contribution and ongoing development of all directors;
- (g) briefing all directors in relation to issues arising at meetings;
- (h) monitoring and facilitating reviews of the performance of the Board;
- (i) ensuring the Board regularly meets to consider the Company performance and key issues facing it; and
- (j) committing the time necessary to discharge effectively his/her role as Chair.

## **4.2 Company Secretary**

The company secretary acts as secretary of the Board, attending meetings of the Board and its committees. The company secretary is accountable directly to the Board, through the Chairman, on matters to do with the proper functioning of the Board. In addition to responsibilities under the Corporations Act, the Company's constitution, and matters specifically delegated, the company secretary acts as chief administrative officer and as a point of contact between the Board and management.

The role of the Company Secretary includes:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring that Board and committee policy and procedures are followed;
- (c) coordinating the timely completion and despatch of board and committee papers;
- (d) helping to organise and facilitate the induction and professional development of directors so that they can develop and maintain the skills and knowledge needed to perform their role as directors effectively; and
- (e) advising the Company on compliance with its requirements under the Corporations Act regarding its registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission, as well as compliance with the listings rules of the ASX in all respects.

## **5 Delegations of authority**

### **5.1 Board committees**

Under the Company's constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.

Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committees.

There are currently three standing committees:

- (a) Audit and Risk Committee;
- (b) Nomination Committee; and
- (c) Remuneration Committee.

The Board may establish other committees from time to time to consider other matters of special importance. Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions.

The Chairman of each committee will report on committee meetings to the Board at the next full Board meeting.

## **5.2 Delegation to senior management**

The Board delegates to the CEO or MD the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those reserved to the Board and its committees under their charters or under specific limitation or guidance from the Board through Board resolutions of any Delegation of Authority Policy approved by the Board.

The Board may impose further specific limits on CEO or MD delegations. These delegations of authority will be maintained by the company secretary and will be reviewed by the Board as appropriate from time to time. The CEO or MD has authority to delegate to the senior management team who are responsible for:

- (a) implementing the strategic objectives of, and operating within the risk appetite set by, the Board and for all other aspects of the day-to-day running of the Company; and
- (b) providing the Board with information to enable the Board to perform its responsibilities.

From time to time the Board may review the division of functions between the Board and management so that it continues to be appropriate to the needs of the Company.

## **6 Board process**

### **6.1 Meetings**

- (a) All Board meetings will be conducted in accordance with the Company's constitution and the Corporations Act. Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.



- (b) Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.
- (c) Directors are expected to prepare adequately for, attend and participate in Board meetings. Directors should consider the sufficiency of the contents of the board papers that they have been provided for consideration. The Board should assess the information that it receives and the timing of its distribution to allow the Board to have sufficient time to examine the material provided to it for approval.
- (d) Non-executive directors will periodically meet without executive directors or management present.
- (e) The Board may request or invite management or external consultants to attend Board meetings if necessary or desirable.
- (f) The Board may conduct meetings by telephone, video conference or other electronic means.

## **7 Other administrative matters**

### **7.1 Induction program**

Upon appointment, each director will undertake the induction program developed by the Board and coordinated by the company secretary.

### **7.2 Access to information**

- (a) The Chair, CEO or MD, company secretary and management must ensure that updated information is provided to the Board in a timely fashion to enable the directors to effectively discharge their duties.
- (b) Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making.
- (c) In discharging its role, the Board shall have unrestricted access to:
  - (i) all books and records of the Company; and
  - (ii) all staff, including the Company's managers to seek information and explanations from them; and
  - (iii) the Company's auditors, both internal and external, to seek explanations and information from them without Management being present.

### **7.3 Independent advice**

Following consultation with the Chairman, directors may seek independent professional advice at the Company's expense. Generally this advice will be available to all directors if the Chairman considers the advice relevant for them to discharge their responsibilities as directors.

## **7.4 Trading of securities**

The Company's Securities Trading Policy imposes restrictions on the trading of financial products by directors and others persons in possession of undisclosed price sensitive information. All directors must follow that policy.

## **7.5 Conflicts**

- (a) Directors are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or possible conflicts of interest.
- (b) Directors must:
  - (i) disclose to the Board any actual or potential conflict of interest or duty, or matter that might reasonably be thought to exist as soon as the situation arises;
  - (ii) take all necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
  - (iii) comply with all applicable law and the Constitution in relation to disclosing material personal interests and restrictions on voting.
- (c) If a conflict exists, it is expected that any director to whom the conflict relates will leave the room when the Board is discussing any matter to which the conflict relates.
- (d) Directors are expected to inform the Chair of any proposed appointment to the board or executive of another company as soon as practicable.
- (e) No director will participate in the determination of their own remuneration.
- (f) No director will participate in the review of their own performance.
- (g) No director will be present for discussions at a Board meeting on, or vote on a matter regarding, his or her election, re-election, or removal.

## **8 Performance evaluation**

The Board recognises the importance of regular reviews of its effectiveness and performance. Periodically the Board will review and evaluate:

- (a) its own performance, including against the requirements of this charter;
- (b) the performance of its committees;
- (c) the performance of individual Directors; and
- (d) the performance of its senior executives, against both measurable and qualitative indicators.

The Company will disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

## **9 Review and publication of charter**

The Board is responsible for reviewing this charter and the division of functions and responsibilities in the Company to determine its appropriateness to the needs of the Company from time to time. The charter may be amended by resolution of the Board. The charter is available on the Company's website and the key features may be published in the annual report or a link to the governance section of the website provided.