



## **BOARD CHARTER**

### **1. Purpose of the Charter**

- 1.1 This Board Charter (Charter) sets out the role, composition and responsibilities of the Board of Directors of Atlantic Ltd (Atlantic or Company) within the governance structure of Atlantic and its wholly owned subsidiaries (Group).
- 1.2 The conduct of the Board is also governed by the Company's Constitution (Constitution).

### **2. Membership, Term and Commitment**

- 2.1 The Constitution provides for a minimum of 3 directors and a maximum of 10 Directors.
- 2.2 The Constitution provides that a director (other than the Managing Director) may not retain office for more than three years without submitting for re-election.
- 2.3 At the annual general meeting each year, effectively one third of the directors in office (other than the Managing Director) retire by rotation and must seek re-election by shareholders.

The names of directors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable shareholders to take an informed decision on their election. The Board should set out why they believe an individual should be elected. The Chairman should confirm to shareholders when proposing re-election that, following formal performance evaluation, the individual's performance continues to be effective and to demonstrate commitment to the role.

- 2.4 Where possible, the majority of the Board, shall comprise non-executive directors determined by the Board to be independent.
- 2.5 Where a non-executive director has served for six years or longer (for example two-three year terms) their re-election will be subject to particularly rigorous review and will take into account the need for progressive refreshing of the Board.
- 2.6 All directors, whether independent or not, should have a proper understanding of, and competence to deal with, the current and emerging issues of the business and bring an independent judgment to bear on Board decisions.
- 2.7 The Board should encourage enhanced performance of the Company and effectively review and challenge the performance of management.
- 2.8 The threshold for materiality for the purpose of assessing the materiality of relationships between a non-executive director and the Company (other than as a director) will be judged



## **BOARD CHARTER**

according to the significance of the relationship to the director in the context of their activities as a whole.

- 2.9 Membership of the Board shall be disclosed in the Company's annual report (Annual Report), including whether a director is independent or not independent.
- 2.10 The Board should meet sufficiently regularly to discharge its duties effectively. The Board generally has at least six regularly scheduled meetings in each financial year.
- 2.11 All new members of the Board are to be provided with a formal letter of appointment setting out the key terms and conditions of their appointment.
- 2.12 All Board members must inform the Board before accepting any other directorships.

### **3. Matters reserved for the Board**

- 3.1 Responsibility for implementing the strategic direction and management of the Company's day to day operations is delegated to the Managing Director, who is accountable to the Board.
- 3.2 The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. In carrying out its responsibilities, the Board undertakes to serve the interests of shareholders, employees, and the broader community honestly, fairly, diligently and in accordance with applicable laws.
- 3.3 The following are matters which are specifically reserved for the Board and they constitute the key responsibilities of the Board, namely to:
  - (a) develop, review and monitor the Company's long term business strategies and provide strategic direction to management;
  - (b) approve and monitor budgets, major capital commitments, capital management, acquisitions and divestitures;
  - (c) identify and review risks that may face the Company and ensure that it has systems in place for risk management and internal control;
  - (d) review and approve the Company's financial statements and other reporting;
  - (e) appoint, remove and review the performance of the Managing Director;
  - (f) ratify the appointment or removal of the Chief Financial Officer and the Company Secretary;
  - (g) appoint and remove directors;
  - (h) establish and maintain corporate governance standards;
  - (i) monitor compliance with legal, regulatory requirements (including continuous disclosure) and ethical standards;



## **BOARD CHARTER**

- (j) lead by example to establish a culture within the Company which strives for and rewards best practice in all areas of the business, particularly with regard to environmental issues;
- (k) monitor whether the Board is appropriately skilled to meet the changing needs of the Company;
- (l) the entire Board (subject to shareholders' voting rights in general meeting) is responsible for selection of directors and seeks to ensure that a candidate's experience and competence can assist the Company in meeting its corporate objectives and plans;
- (m) arrange appropriate insurance cover in respect of legal action against its Directors;
- (n) oversee the Company's operations, including its control and accountability systems;
- (o) provide input into and final approval of management's development of corporate strategy and performance objectives;
- (p) review, ratify and monitor the Company's Corporate Code of Conduct; and
- (q) ensure that appropriate resources are available to senior executives.

### **4. Chairman**

#### **4.1 The Chairman is responsible for:**

- (a) the leadership of the Board and ensuring its effectiveness on all aspects of its role and setting its agenda;
- (b) the efficient organization and conduct of the Board's functioning, including establishing the agenda for Board meetings in consultation with the Managing Director, chairing Board meetings and ensuring that the Board behaves in accordance with the Code of Conduct for Directors and Executives;
- (c) ensuring that the directors receive accurate, timely and clear information in a form and of a quality appropriate to enable it to discharge their duties. All directors are entitled to request additional information where they consider such information necessary to make informed decisions;
- (d) ensuring that the views of shareholders are communicated to the Board as a whole, and that governance and strategy issues are discussed with major shareholders;
- (e) ensuring that the directors continually update their skills, knowledge and familiarity with the Company required to fulfill their role both on the Board and on Board Committees;
- (f) ensuring that new directors receive a full, formal and tailored induction on joining the Board. The letter of appointment should set out the director's expected time commitment;
- (g) facilitating the effective contribution of all directors at Board meetings; and
- (h) the promotion of constructive and respectful relations between directors, and between the Board and management.



## **BOARD CHARTER**

4.2 The Chairman shall disclose to the Board any significant commitments outside the Group and this information and its impact will be included in each Annual Report.

### **5. Managing Director**

5.1 The Managing Director is responsible for:

- (a) the development (in conjunction with the Board) and implementation of short, medium and long-term corporate strategies for the Group, preparing business plans and reports with senior management and reporting/presenting to the Board on current and future initiatives;
- (b) managing a team of executives responsible for all functions contributing to the success of the Group;
- (c) ensuring that the Group has the appropriate risk management practices and policies in place;
- (d) the efficient and effective operation of the Group;
- (e) the assessment of business opportunities which are of potential benefit to the Group;
- (f) bringing material and other relevant matters to the attention of the Board in an accurate and timely manner; and
- (g) overseeing shareholder communications.

### **6. Separation of functions between the Chairman and the Managing Director**

6.1 The roles of the Chairman (section 4) and Managing Director (section 5) are strictly separated.

6.2 The Managing Director of the Company should not go on to be Chairman of the Company. If, exceptionally, the Board decides that the Managing Director should become Chairman, the Board shall consult major shareholders in advance and set out its reasons to shareholders at the time of the appointment and in the next Annual Report.

6.3 The balance of responsibilities between the Chairman and the Managing Director will be regularly reviewed to ensure the division of functions remains appropriate to the needs of the Company.

### **7. Non-Executive Directors**

7.1 All non-executive directors are encouraged to:-

- (a) regularly update and refresh their skills, knowledge and familiarity with the Company;
- (b) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice;



## **BOARD CHARTER**

- (c) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board, to the extent that they are not resolved, ensure that they are recorded in the Board minutes. On resignation, a non-executive director should provide a written statement to the Chairman, for circulation to the Board, if they have any such concerns.

7.2 It is up to each non-executive director to reach a view as to what is necessary in particular circumstances to comply with the duty of care, skill and diligence they owe as a director to the Company.

7.3 Non-executive directors are invited to attend meetings with major shareholders when requested.

7.4 The Annual Report must identify each non-executive Director considered independent, along with reasons for the existence of any relationships or circumstances which may appear to impede their independence.

7.5 The Non-Executive Directors shall meet once a year without the Chairman present to appraise the Chairman's performance.

### **8. Board Committees**

8.1 To assist it in carrying out its responsibilities, and in accordance with its Constitution, the Board has established the following committees. They are:

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

The responsibilities of the Committees are laid out in their respective charters.

### **9. Independent Advice**

9.1 Directors have the right to seek independent professional advice in the furtherance of their service as directors, at the Company's expense. Written approval must be obtained from the Managing Director prior to incurring expense on behalf of the Company.

### **10. Code of Conduct**

10.1 A director must act honestly, in good faith and in the best interest of the Company as a whole.



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## **BOARD CHARTER**

- 10.2 A director has to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- 10.3 A director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
- 10.4 A director must recognise that the primary responsibility is to the Company's shareholders as a whole but should, where appropriate, have regard for the interests of all stakeholders of the Company.
- 10.5 A director must not make improper use of information acquired as a director.
- 10.6 A director must not take improper advantage of the position of director.
- 10.7 A director must not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company.
- 10.8 A director has an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors.
- 10.9 Confidential information received by a director in the course of the exercise of their duties as a director of the Company remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Company, or the person from whom the information is provided, or is required by law.
- 10.10 A director should not engage in conduct likely to bring discredit upon the Company.
- 10.11 A director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and with the principles of this Code of Conduct.

## **11. Secretary**

- 11.1 The Company Secretary will be the Secretary of the Board.
- 11.2 Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows between members of the Board and the Board Committees, and between senior management and non-executive directors, as well as facilitating the induction of new directors and assisting with each director's professional development, as required.
- 11.3 All directors have access to the advice and services of the Company Secretary.



## **BOARD CHARTER**

11.4 The Company Secretary is responsible for monitoring Board Policy, ensuring procedures are followed, and co-ordinating the timely completion and despatch of the Board agenda and briefing materials.

11.5 The appointment and removal of the Company Secretary is a matter for decision by the Board as a whole.

### **12. Reporting**

12.1 Proceedings of all meetings are minuted and signed by the Chairman or the chairman of the meeting.

12.2 Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

### **13. Review of Charter**

13.1 The Board will review this Charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

### **14. Publication of the Charter**

14.1 Key features of this Charter are to be outlined in the Annual Report.

14.2 A copy of this Charter is to be made available on the Company's website [www.atlanticltd.com.au](http://www.atlanticltd.com.au).

### **15. Amendment of this Charter**

15.1 This Charter has been adopted by the Board. Any amendment to this Charter can only be approved by the Board.

15.2 The Company Secretary is responsible for reviewing this Charter on an annual basis to ensure its continued compliance with legal requirements and corporate governance requirements applicable to companies listed on the Australian Stock Exchange and, if necessary, suggesting amendments to the Charter for consideration by the Board.