

Board charter

N1 Holdings Limited
ACN 609 268 279

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1 Role and responsibilities

The board of directors (**Board**) of N1 Holdings Limited (**Company**) has adopted this charter (**Board Charter**) to outline the manner in which its powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws.

This Board Charter and the charters adopted by the Board have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company in achieving its strategic objectives, create shareholder value and engender the confidence of the investment market. To accomplish this, the Board:

- (a) will exercise and demonstrate leadership of the Company;
- (b) considers and approves the purpose and strategy of the Company and its related companies (**Group**);
- (c) adopts an annual budget and monitors financial performance and capital expenditure, including approving the annual and half year financial statements and reports;
- (d) approves major investments and monitors the return on those investments;
- (e) monitors the adequacy, appropriateness and operation of internal controls including reviewing and approving the Group's compliance systems, organisational policies, corporate governance principles and compliance with disclosure obligations and the Continuous Disclosure Policy;
- (f) oversees the process of providing timely and continuous disclosure of information to the investment community, promotes effective engagement with shareholders and makes available information shareholders can reasonably require to make informed assessments of the Group's prospects;
- (g) reviews the Company's risk management framework and monitors significant business risks and oversees how they are managed;
- (h) monitors the relationship with key regulators to meet the Group's obligations;
- (i) determines delegations to committees, subsidiary boards and management and approves transactions in excess of delegated levels;
- (j) appoints and reviews the performance of the chief executive officer (**CEO**) of the Company, the company secretary and other senior members of management, including overseeing the remuneration, development and succession planning for the executive officers and management, while overseeing the operation of appropriate human resource management systems including remuneration;
- (k) assesses the performance of the Board collectively and of each Director individually, and the performance of the committees;
- (l) selects and appoints new Directors;
- (m) considers, approves and endorses major corporate governance policies of the organisation including a statement of values, code of conduct and whistleblower policy to promote ethical behaviour and social responsibility and underpins the desired culture within the Company;
- (n) oversees the implementation of appropriate work health and safety systems; and
- (o) protects and oversees the enhancement of the reputation of the Company.

The Company's constitution (**Constitution**) ultimately governs matters relating to the Board and its functions. This Board Charter explains and interprets the Constitution. The Constitution prevails to the extent of any inconsistency between this Board Charter and the Constitution.

2 Composition

On the date of adoption of this revised charter, the Board will have four members. The Board will review the size and composition of the Board with a view to having an appropriate mix of skills.

A majority of the Board will be independent directors, or, if not possible, more than one Director will be an independent director. The independence of Directors will be regularly reviewed.

The Chairman of the Board will, if possible, be an independent director and will not be the same person as the CEO of the Company. The Chairman will represent the Board to shareholders.

The Board only considers Directors to be independent where they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment (which may include the matters listed in Schedule 1).

3 Meetings

The Board will meet (either in person or via teleconference), a minimum of ten times a year, with additional meetings as required. Any Director may at any time, and the Company Secretary must on request from a Director, convene a board meeting.

The Chairman is responsible for coordinating all Board meetings, including the distribution of board papers, the board agenda and preparing minutes of Board meetings. Board papers and the board agenda should normally be distributed at least a week prior to each Board meeting.

The Chairman is also responsible for leading the board meetings, facilitating the effective contribution of all directors and promoting constructive and respectful relations between the directors.

The Company Secretary is appointed by and responsible to the Board of Directors through the Chairman. The Company Secretary will assist the Chairman in performing their duties. The Company Secretary is also responsible for communication with regulatory bodies and ASX, and all statutory and other filings.

Where deemed appropriate by Directors, meetings and subsequent approvals and recommendations may occur by written resolution or conference call or other electronic means of audio or audio-visual communication.

4 Committees

The Board may delegate any of their powers to a committee or committees of the Company.

In addition, the Board may also delegate specific functions to ad hoc committees. The Board will, at least once each year, review the membership and charter of each committee.

Owing to the size and composition of the Board (being comprised of a majority of executive members), the Board has determined that it is not appropriate to form separate committees with exclusive functions relating to audit, risk, remuneration or nomination. Instead, the Board has determined that, to ensure good governance, the independent non-executive Directors should have an exclusive right of veto with respect to the following specific governance matters:

- (a) changes to the remuneration or terms of employment of the of executive Directors of the Company; and
- (b) receipt and final sign-off of auditor's reports relating to half yearly and full year financial results.

5 Relationship with management

The Board has delegated specific authorities to the Chairman. Subject to these delegated matters, the Chairman is authorised to exercise all the powers of the Directors, except with respect to the following:

- (a) approval of major elements of strategy including any significant change in the direction of that strategy;
- (b) approvals above delegated levels of credit limits, country risk exposures, equity risk limits, market risk limits, loans and encumbrances, equity investments and underwriting risk;
- (c) capital expenditure in excess of delegated levels or expenditure outside the ordinary course of business;
- (d) certain remuneration matters including material changes to remuneration policies;
- (e) adoption of the Company's annual budget;
- (f) approval of the interim and final accounts and related reports to ASX;
- (g) specific matters in relation to Continuous Disclosure as defined in the Continuous Disclosure Policy; and
- (h) other matters as the Board may determine from time to time.

6 Education, development and performance evaluation

Each new Director will, upon appointment, participate in an induction programme. This will include meeting with members of the existing Board, Company Secretary, management and other relevant executives to familiarise themselves with the Company, its procedures and prudential requirements, and Board practices and procedures.

The Board will, at least on an annual basis, evaluate the skills and knowledge of existing Directors and, where deemed necessary, require Directors to undertake training and professional development in order to be adequately equipped to deal with emerging business and governance issues and to remain aware of material developments to laws, regulations and accounting standards that may be relevant to the Company. At any other time, and subject to approval of the Chairman, Directors may request and undertake training and professional development, as appropriate, at the Company's expense.

The performance of the Board as a group and of individual Directors is to be assessed each year. In particular, all Directors seeking re-election at an annual general meeting may be subject to a formal performance appraisal to determine whether the Board (with their absents themselves) recommend their re-election to shareholders.

7 Conflict of interests

The Board will agree, and Board members will abide by the following:

- (a) declaring their interests as required under the Corporations Act, ASX Listing Rules and general law requirements;
- (b) unless the Directors (without a relevant personal interest) agree otherwise, where any Director has a material personal interest in a matter, the Director will not be permitted to:
 - (i) receive any papers (but may receive redacted papers);
 - (ii) take part in any discussion concerning the matter; or
 - (iii) vote on the matter,
 at a Director's meeting where that matter is being considered; and
- (c) Directors must not:
 - (i) allow personal interests to conflict with the interests of the Company; or
 - (ii) disclose confidential information, unless the disclosure has been authorised by the Company or is required by law.

8 Access

The Company's external auditors will allow all issues to be raised directly with the Board.

Board members are not to be constrained or impeded from disclosing information to the external auditors in accordance with statutory and regulatory requirements and must be available to meet with the external auditors on request after notification to the Chairman.

The Board collectively, and each Director individually, shall have the ability to consult independent experts where the Board or that Director considers it necessary to carry out its or their duties and responsibilities. Any costs incurred as a result of the Board or Director consulting an independent expert will be borne by the Company, subject to the estimated costs being approved by the Chairman or the Board as a whole in advance as being reasonable.

Directors are entitled to access senior management and request additional information at any time they consider appropriate.

9 Review of charter

The Board will, at least once in each year, review this Board Charter to determine its ongoing appropriateness.

Schedule 1 – Guidelines of the board of directors – independence of directors

Section 2 of the Board Charter refers to the ‘independence’ of Directors.

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

The board has adopted the definition of ‘independent’ as defined in the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations. Consequently, a Director will only be considered ‘independent’ if that Director is free of any interest, position, affiliation, association or other 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 as a whole rather than in the interests of an individual security holder or other party. The Board will take in consideration the examples set out in the ASX Corporate Governance Principles in their determination. The Board will consider the materiality of any given relationship on a case-by-case basis, with the Board charter to assist in this regard.