



## **USCOM LIMITED BOARD CHARTER**

### **OVERVIEW**

The Board Charter sets out the functions and responsibilities of the Board of Uscom Limited (**the Company** or **Uscom**), and the policies and procedures established to support the effective operation of the Uscom Board and the fulfilment by each member of the Board of their duties as a Director.

#### **1.1. ROLE OF THE BOARD**

The Board's role is to:

- Act in the best interests of the Company and shareholders generally;
- Guide and monitor the Company's strategies, policies and performance;
- Determine, review and monitor the Company's values; and
- Keep shareholders informed of the Company's performance and major developments affecting the Company.

#### **1.2 RESPONSIBILITIES OF THE BOARD**

The Board's responsibilities include the following:

- Providing strategic direction for, and approval of, the Company's business strategy and objectives;
- Monitoring of financial performance and approval of financial and other reporting;
- Reviewing, approving and monitoring the Company's risk management systems, including internal compliance and control mechanisms;
- Approval and monitoring of major capital expenditure, capital managements and capital raising initiatives, and acquisitions and divestments;
- Monitoring compliance with best practice corporate governance requirements;
- Taking all reasonable steps to ensure compliance by the Company with all laws, government regulations and accounting standards;
- Overseeing the Company's accounting and corporate reporting systems and appointment, reappointment and removal of the Company's external auditor;
- Approval of the Company's remuneration policy and structures, including non-executive director remuneration, executive director and senior management remuneration, and any executive and employee incentive plans;
- Determining the size, composition and structure of the Board, and the process for evaluating its performance;
- Appointment and removal of the Chief Executive Officer, and approval of the remuneration of and overseeing the performance review of the Chief Executive Officer.



## **2. COMPOSITION & STRUCTURE OF THE BOARD**

### **2.1 General**

In accordance with the Constitution, the Board shall have at least three Directors and a maximum of ten Directors. A majority of the Directors must be independent. It is intended that the Board be comprised of Directors with a broad range of skills, diversity, expertise and experience from a range of backgrounds, while taking into account specific skills and experience that may be of specific relevance to the Company and its operations.

For so long as the Company has an Executive Chairman, an Independent Director will be appointed to fulfil that role whenever the Executive Chairman is conflicted.

### **2.2 Independence**

An independent director is a Non-Executive Director who is not a member of management and who is free of any business or other relationship that could interfere, or might be seen to interfere, with a 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<sup>1</sup>. The Board will assess the independence of each Director annually, in such manner as it determines from time to time.

### **2.3 Ethical Standards & Legal Duties**

Each Director will abide by the Company's Code of Conduct and is expected to uphold the ethical standards and corporate behaviour set out in the Code.

The Board will operate in a manner reflecting the Company's goals and values, in accordance with its agreed corporate governance guidelines, the Constitution, and all applicable laws and regulations.

#### ***Conflicts of Interest***

Each Director has a fiduciary and statutory duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict – either conflict of interest or conflict of duties.

A Director must disclose to the Board:

- Any material personal interest that he or she or any associate may have in a matter relating to the affairs of the Company; and
- Any other interest or relationship that may affect the Director's independence.

Where a Director has identified and disclosed a material personal interest or any other interest in a matter or a relationship that may affect their independence, it may be determined that the Director will not receive Board papers or other information relating to a particular matter. The Director may also be

---

<sup>1</sup> In any assessment of independence, the Board will take account of the factors set out in relation to Recommendation 2.3 of the ASX Corporate Governance Principles & Recommendations (3<sup>rd</sup> Edition), including the period served as a director, and any other factors it considers relevant.



required to withdraw from any part of a Board meeting where the matter is being discussed and not vote on the matter.

Notice of disclosed material personal interests may be a standing notice. A register of interests will be kept by the Company Secretary.

### ***Dealing in Shares***

Directors must ensure any dealings in shares are in strict compliance with the Company's Share Trading Policy and otherwise in accordance with the Company's overarching policy to avoid any perception of insider trading and the significant reputational harm that may cause to both the Company and individual Directors.

## **2.5 Appointment & Election of Directors**

New Directors are provided with formal letters setting out the key terms and conditions of their employment, and are also required to enter into an agreement with the Company in relation to disclosure of directors' interests.

Prior to the appointment of any Director, and before a candidate is put forward as a candidate for election as a Director, appropriate checks will be undertaken of the person including checks regarding the person's experience, education, disqualification from holding certain offices, criminal record and bankruptcy history.

Each new Director will be required to participate in an induction program which includes meeting with the Board, the Chief Executive Officer, senior management and the Company Secretary to familiarise themselves with the Company, its strategy and operations, and policies and procedures. Directors may undertake and request training as appropriate to their role, with the permission of the Chairman.

## **2.6 Meetings**

The Board shall meet as required and will usually meet at least 6 times each year. Members of senior management responsible for matters included as agenda items at meetings will also attend Board meetings for those items. Resolutions of the Board may be approved by circulating resolution when required. The Constitution governs the regulations and proceedings of the Board.

The Board may also hold periodic workshops to consider matters relating to Company strategy, and meet with company management on an informal basis during the year. The Board will periodically meet without the presence of Senior Management to address such matters as succession planning, key strategic issues and Board operation and effectiveness.

## **2.7 Access to Information & Advice**

All Directors have access to Company employees, advisers and records. The Directors may seek further information on any issue, including requesting that a member of senior management provide certain information. In carrying out their duties and responsibilities, Directors may seek independent professional advice at the Company's expense, after consultation with the Chairman. Any such advice



is the property of the Company, and the Chairman may determine that it be made available to all Directors.

The Company's external auditors are not to be constrained from raising matters directly with the Board.

## **2.8 Company Secretary**

The Company Secretary is directly accountable to the Board through the Chairman, for all matters concerning the proper functioning of the Board, including advising on governance matters, monitoring that the Board's Policies and Procedures are followed, and ensuring that the business at Board meetings is accurately captured in the minutes.

## **2.9 Board Assessment**

The Board is responsible for undertaking a formal evaluation process to review its performance once every two years.

# **3. BOARD POWERS & DELEGATIONS**

The Board retains all rights and powers conferred upon it by the Constitution and the Law which cannot be delegated. The Board may delegate their powers as they consider appropriate, however ultimate responsibility for strategy and control remains with the Board.

## **3.1 Powers reserved to the Board**

Matters specifically reserved for the Board include the following:

- Appointment and removal of the Chairman;
- Appointment and removal of the Chief Executive Officer or equivalent;
- Appointment of Directors to fill a vacancy or as additional Directors;
- Establishment of any Board Committees, their membership and delegated authorities;
- Approval of dividends and dividend policy;
- The issue of equity or equity-like instruments
- Review of corporate governance principles, policies and related public documents;
- Approvals of expenditure in excess of authority levels delegated to management;
- Calling of shareholder meetings;
- Delegations of authority to the Chief Executive Officer;
- Remuneration of the Chief Executive Officer; and
- Other specific matters determined by the Board from time to time.

## **3.2 Committees**

To assist the Board in discharging its duties and responsibilities, the Board may delegate its powers to a Committee or Committees consisting of such of their number as they think fit. Any Committee established by the Board will operate in accordance with a Charter approved by the Board, setting out the specific responsibilities of the Committee.



The Board may also delegate specific responsibilities to an ad hoc Committee from time to time, as it determines is appropriate.

### **3.3 Role of Management**

As permitted by the Company's Constitution, the Board may delegate to the Chief Executive Officer all those powers and authorities required to manage and control the day to day operation of the Company that are:

- Not expressly reserved to the Board under paragraph 3.1 of this Charter; or
- Not expressly delegated to a Committee; or
- Under any Instrument of Delegation, such as a monetary authority limit approved by the Board from time to time.

#### ***Chief Executive Officer***

The day to day management of the Company is the responsibility of the Chief Executive Officer, supported by the senior management team. The Chief Executive Officer's responsibilities include:

- managing the day-to-day operations and performance of the Company, in accordance with the strategy, business plans and policies approved by the Board;
- reporting regularly to the Board with accurate, timely and clear information so that the Board is fully informed to discharge its responsibilities effectively;
- development of Uscom's strategy, its businesses and management, and making recommendations to the Board in respect of those strategies;
- development of the Company's annual budget and conducting the Company's activities within the approved annual budget;
- implementation of Uscom's corporate strategy, including identification of initiatives for consideration;
- recommendations to the Board regarding significant operational changes, major capital expenditure, acquisitions or divestments which are beyond delegated limits;
- development and maintenance of Uscom's risk management systems, including internal compliance and control mechanisms;
- ensuring compliance with the Company's continuous disclosure obligations in accordance with the role and responsibilities delegated under the Company's Continuous Disclosure and External Communications Policy;
- acting as the Company's interface with its operating environment and the general business and investment community;
- provide leadership to the Company and support a culture that promotes ethical and responsible behaviour;
- establishing criteria for and monitoring performance of management and staff;
- such other responsibilities as delegated by the Board from time to time.

All Directors will have access to the Chief Executive Officer.



#### **4. INDEMNITY OF DIRECTORS**

Each Director of the Company will enter into a deed with the Company whereby the Company:

- To the extent permitted by law, agrees to indemnify the Director against liability out of the discharge of their duties;
- Agrees to maintain an insurance policy for the Director against liability incurred in his or her capacity for the term of their appointment and for seven years following cessation of office; and
- Agrees to maintain all Board papers relating to the Director's period of appointment and to make those papers available to the Director for a period of seven years following cessation of office.

#### **5. APPROVAL, REVIEW & AVAILABILITY OF CHARTER**

The Board shall review the Charter periodically to ensure its relevance, effectiveness and consistency with best practice.

The Charter will be made readily accessible on the Company's website.

**Board Approval Date: 27 May 2015**