

BOARD CHARTER.

1 Purpose of this Charter

The purpose of this Charter is to set out the respective roles and responsibilities of the board and management.

2 Role and responsibilities of the board

2.1 Role

The role of the board is to oversee the business and it is accountable to shareholders in that role. It is responsible for the governance of the Company. The board defines the Company's purpose. It sets the Company's strategic objectives, and provides effective oversight of management in its implementation of those objectives. The board demonstrates leadership in steering the desired culture of the Company, and it approves the statement of values and code of conduct. To achieve this, the board has reserved the following responsibilities.

2.2 Responsibilities

The board is responsible for:

- (a) demonstrating leadership;
- (b) approving the Company's code of conduct, including its statement of values;
- (c) appointing the Executive Chairman;
- (d) appointing and replacing the Managing Director;
- (e) approving the appointment and replacement of other senior executives and the Company Secretary;
- (f) developing and approving succession plans for the board to ensure that it has the appropriate balance of skills, knowledge, experience, independence and diversity;
- (g) developing and approving succession plans for key senior executives;
- (h) overseeing management in its implementation of the Company's strategic objectives, instilling the Company's values and performance generally;
- (i) monitoring the senior executive team's performance and implementation of strategy and ensuring appropriate resources are available;
- (j) reviewing, approving and monitoring major capital expenditure, operating budgets, capital management, and acquisitions and divestitures;
- (k) reviewing and approving all financial and other reporting;
- (l) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (m) satisfying itself that the Company has in place an appropriate risk framework (for both financial and non-financial risks);
- (n) establishing, monitoring and regularly reviewing systems of internal compliance, risk management and internal controls governing the operations of the Company,

ensuring that they are operating effectively, and setting the risk appetite within which management is expected to operate;

- (o) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the board;
- (p) 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 shares;
- (q) satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite;
- (r) whenever required, challenging management and holding it to account; and
- (s) monitoring the effectiveness of the Company's governance practices.

2.3 Executive Chairman

The chairperson is an executive director appointed by the board, whose title is **Executive Chairman**. The Executive Chairman is responsible for:

- (a) leading the board;
- (b) facilitating the effective contribution by all directors;
- (c) chairing board meetings and shareholder meetings;
- (d) ensuring the efficient organisation and conduct of the board's functions;
- (e) briefing all directors in relation to issues arising at board meetings;
- (f) approving board agendas and ensuring that adequate time is available for discussion of agenda items;
- (g) overseeing that membership of the board is skilled and appropriate for the Company's needs;
- (h) promoting constructive relations between directors and between the board and management;
- (i) reviewing corporate governance matters with the Company Secretary and reporting on those matters to the board;
- (j) establishing and overseeing the implementation of policies and systems for board performance review and renewal;
- (k) working with the Managing Director to develop a corporate strategy and key strategic initiatives;
- (l) working with the Managing Director to identify the material financial and non-financial risks faced by the Company; and
- (m) ensuring that the board is provided with information relevant to the Company's operations and strategies to assist the board to discharge its duties.

2.4 Company Secretary

The Company Secretary is accountable directly to the board, through the Executive Chairman, on all matters to do with the proper functioning of the board. Each director may communicate directly with the Company Secretary and vice versa. The decision to appoint or remove the Company Secretary is made or approved by the board.

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) organising board meetings and director attendance;
- (d) co-ordinating the timely completion and despatch of board and committee papers;
- (e) preparing minutes of meetings and resolutions of the board and taking these to the chairperson for approval and circulation;
- (f) circulating minutes from committee meetings to the board;
- (g) ensuring the Company complies with its requirements under the Corporations Act regarding registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission; and
- (h) helping to organise and facilitate the induction and professional development of directors.

3 Roles and responsibilities of management

3.1 Managing Director

The board appoints the Managing Director, who is a member of the board. The Managing Director is responsible for:

- (a) managing the day-to-day affairs of the Company;
- (b) developing, in consultation with the Executive Chairman, the corporate strategy and key strategic initiatives;
- (c) ensuring that the Executive Chairman is kept abreast of the material matters affecting the day-to-day operations of the Company;
- (d) identifying strategic opportunities for the Company and developing these initiatives liaising with the Executive Chairman;
- (e) working with the Executive Chairman and relevant senior executives to identify the material financial and non-financial risks faced by the Company;
- (f) leading the senior executive team in designing and implementing the risk management and internal control systems to manage the Company's material financial and non-financial risks;
- (g) ensuring that all internal reporting systems established by the board are complied with including:

- (i) reporting to the board as to whether material financial and non-financial risks are being managed effectively; and
- (ii) providing the declarations in accordance with section 295A of the Corporations Act.

3.2 Senior executive team

The senior executive team is responsible for managing the businesses within the Company in accordance with legal and regulatory requirements, and the strategies, values and risk appetite set by the board.

Senior executives are responsible for providing the Managing Director and the board with accurate, timely and clear information on all substantial matters affecting (or which have the potential to affect) the Company's businesses, including financial performance, operations, legal and regulatory matters, and financial and non-financial risks.

4 Delegations of authority

4.1 Delegation to committees

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

Each standing committee established by the board will adopt a charter setting out the authority, responsibilities, membership and operation of the committee. The Company 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 chairperson of each committee will report back on the committee meeting(s) to the board at the next full board meeting.

The board will review the performance of each standing committee periodically against the role and responsibilities set out in its committee charter and whenever there are major changes to the management structure of the Company.

4.2 Delegation to Managing Director and management

The board has delegated to the Managing Director 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 responsibilities expressly reserved to the board and the Executive Chairman in this Charter.

The Managing Director has authority to sub-delegate to the senior executive team. The Company has a written agreement with each executive director and senior executive setting out the terms of their appointment.

4.3 Review of senior management

The board is responsible for monitoring the senior executive team's performance. As part of the delegation of authority to manage the day-to-day affairs of the Company, the Managing Director regularly carries out a performance evaluation for senior executives against appropriate performance indicators and objectives, and provides individual feedback throughout the year.

5 Membership

5.1 Composition and size

The directors will determine the size of the board, subject to the Company's constitution, which 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 for the Company to achieve efficient decision making.

The composition of the board will aim to reflect the following:

- (a) the number of non-executive directors should equal or exceed the number of executive directors; and
- (b) there should be at least two independent directors.

The chairperson of the board may be an executive director but should not also be the Managing Director.

The board will regularly assess the board's composition to ensure it has an appropriate range of skills, experience, expertise, diversity and competence to deal with current and emerging issues of the business. The board will:

- (a) review the necessary and desirable competencies of directors at least annually; and
- (b) ensure that succession plans are designed to maintain an appropriate balance of skills, experience and expertise on the board.

5.2 Non-executive directors

Non-executive directors may confer periodically without executive directors or management present. Discussions at these meetings will be chaired by an independent director.

5.3 Independence

All directors - whether independent or not - are required to bring an independent judgement to bear on all board decisions.

Where this charter refers to an independent director, the director is considered

“independent” if they are a non-executive director who is not a member of management, and who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their 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.

When determining the independent status of a director, the board will consider whether the director:

- (a) is, or has been employed in an executive capacity by the entity or its subsidiaries and there has not been a period of at least three years between ceasing such employment and serving on the board;
- (b) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Company;
- (c) 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 any of its subsidiaries, or is an officer or, or otherwise associated with, someone with such a relationship;
- (d) is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- (e) has close personal ties with any person who falls within any of the categories described above; or
- (f) has been a director of the entity for such a period that their independence from management and substantial holders may have been compromised.

In each case, the materiality of the interest, position or relationship needs to be assessed by the board 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 as a whole rather than in the interests of an individual shareholder or other party.

The board will assess the independence of each director at least annually in light of the interests disclosed by them. Each independent director must provide the board with all relevant information for this purpose and keep such information up to date. If the board determines that a director’s independent status has changed, that will be disclosed to the market in a timely fashion.

5.4 Conduct of individual directors

Directors must at all times act in accordance with legal and regulatory requirements, and discharge all their duties as directors. Directors must:

- (a) discharge their duties in good faith and in the best interests of the Company and for a proper purpose;
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision

making and act with the level of skill and care expected of a director of a major company;

- (c) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- (d) not make improper use of information gained through their position as a director;
- (e) not take improper advantage of their position as a director;
- (f) notify other directors of a material personal interest when a conflict arises;
- (g) make reasonable enquiries if relying on information or advice provided by others;
- (h) undertake any necessary inquiries in respect of delegates;
- (i) give the Company, the ASX and ASIC all the information required by the Corporations Act and the Listing Rules; and
- (j) not permit the Company to engage in insolvent trading.

6 Board processes

6.1 Meetings

All board meetings will be conducted in accordance with the Company's constitution and the Corporations Act. Directors must keep board discussions and resolutions confidential, except where they are required to be disclosed.

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.

All directors are generally expected to prepare adequately, attend and participate at each board meeting.

Non-executive directors may periodically meet without executive directors or management present.

The board may request or invite management or external consultants to attend board meetings, where necessary or desirable.

The board may conduct meetings by telephone or video conference.

6.2 Independent professional advice

Following consultation with the Executive Chairman, directors may seek independent professional advice at the Company's expense whenever they feel it is necessary to discharge their responsibilities and duties. Where appropriate, a copy of this advice will be made available to all directors.

6.3 Access to management

The directors have complete and open access to management following consultation with the Managing Director.

6.4 Professional development and induction

Directors will be expected to participate in the board induction or orientation program on appointment, and the continuing education or training arranged for them.

The board will periodically assess whether there is a need for directors to update or obtain further professional development to maintain the skills and knowledge required to perform their roles effectively.

6.5 Review of board and director performance

The board will agree the process for conducting reviews of the board as a whole and individual directors. Typically, the process includes individual interviews by the Executive Chairman with each of the directors. Feedback is also provided to directors on their individual performance as assessed by their peers, where appropriate.

The board (excluding the Executive Chairman), will conduct a review of the Executive Chairman's performance annually.

6.6 Appointment of senior executives

Appropriate checks will be undertaken before putting forward a potential new senior executive appointment to the board for approval. These checks would usually include checks on the candidate's character, experience, education, criminal record and bankruptcy history.

6.7 Nomination, appointment and re-election of directors

Board selection, succession and appointment are handled directly by the board and are not delegated to a nomination committee.

The process of selection and appointment of new directors to the board is that when a vacancy arises, the full board identifies candidates with appropriate skills, experience and expertise. Candidates with the skills, experience 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, appropriate background checks will be undertaken on the candidate's character, experience, education, criminal record and bankruptcy history. If the background checks are successful, that person will be appointed by the board to fill a casual vacancy in accordance with the Company's constitution. A director that fills a casual vacancy must undertake to resign should the Company receive an outstanding check that it considers is not satisfactory, and must stand for election by shareholders at the next annual general meeting. All directors must provide

details of their other commitments and must specifically acknowledge to the Company that they will have sufficient time to fulfil their responsibilities as a director.

Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment.

Directors must retire from office in accordance with the constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Executive Chairman 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). At each general meeting, shareholders will be provided with all material information in the board's possession to enable them to make an informed decision on whether or not to elect or re-elect the candidate.

6.8 Remuneration of directors and senior executives

The remuneration of the board, key management personnel (KMP) and senior executives are dealt with directly by the board and are not delegated to a Remuneration committee.

The Company's remuneration practices are designed to:

- (a) enable the Company to attract, retain and motivate directors, executives and employees who will create value for shareholders;
- (b) be fair, not excessive, and appropriate having regard to the performance of the Company and the relevant director, executive or employee; and
- (c) demonstrate the clear relationship between senior executives' performance and remuneration that exists within the Company.

The board approves the remuneration for senior executives, including base pay, incentive payments, equity based awards, changes to the policy and oversees implementation (including any shareholder approvals required).

The board approves any changes to the remuneration of directors. The base pay, incentive payment, equity based award and any other remuneration for the Executive Chairman or the Managing Director must be approved by the board (without the Executive Chairman or Managing Director being present for that agenda item).

A clear distinction is maintained between the remuneration structure of:

- (a) non-executive directors' remuneration; and
- (b) executive directors and other senior executives.

A proportion of executive remuneration is structured in a manner designed to link rewards to corporate and individual performances, including performance-based remuneration and equity-based remuneration.

Non-executive directors are remunerated by a fixed salary including superannuation only and do not receive performance-based remuneration or equity-based remuneration. Non-executive directors are not entitled to termination payments.

7 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 at:

<https://www.bellfg.com.au/#corporate-governance>.