



Solutions to Shape the World™

# Charter

## Board Charter

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**Reliance Worldwide Corporation Limited  
(Company)**

**ACN 610 855 877**

Adopted by the Board on **11 April 2016**



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## Attachment 1

### Guidelines of the Board of Directors – Independence of Directors

## 1 Introduction

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The Board of the Company has adopted this Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance, international best practice and applicable laws.

This Charter includes an overview of:

- Board composition and process;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board Committees.

The Board Charter and the charters adopted by the Board for its standing Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

This Charter is to be reviewed by the Board as required and at least annually.

## 2 Board composition

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### 2.1 Board composition and size

- The Board is appointed by the shareholders. Non-executive Directors are engaged through a letter of appointment.
- The Board, together with the Nomination and Remuneration Committee, determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- It is intended that the Board should comprise a majority of independent Non-executive Directors and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- The Board, after considering any recommendation by the Nomination and Remuneration Committee, will review the skills represented by Directors on the Board and determine whether the composition and mix of those skills remain appropriate for the Company's strategy, subject to limits imposed by the Constitution and the terms served by existing Non-executive Directors.

### 2.2 Director independence

- The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non-executive Director to the Board.
- 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. The Board has



adopted a definition of independence that is based on that set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (3<sup>rd</sup> edition) (see Attachment 1).

## 3 Board role and responsibilities

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### 3.1 Board role

The Board's role is to:

- represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives and reviewing management performance;
- protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and ensure compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

### 3.2 Board key responsibilities

The responsibilities/functions of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Chief Executive Officer (**CEO**);
- approving major changes and developments in the Company's policies and procedures related to remuneration, recruitment, retention, termination and performance assessment for senior management;
- contributing to and approving management development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes, at least annually, reviewing the Company's risk management framework to satisfy itself that it continues to be sound and effectively identifies all areas of potential risk;
- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- developing and reviewing corporate governance principles and policies; and
- performing such other functions as are prescribed by law or are assigned to the Board.



### 3.3 Directors

- Directors will act at all times with honesty and integrity and will observe the highest standards of ethical behaviour.
- Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.
- Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.
- The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair, or the Board as a whole.

## 4 Delegation of duties and powers

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### 4.1 Delegation to Committees

- The Board from time to time establishes Committees to streamline the discharge of its responsibilities.
- Each standing Committee adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.
- The powers delegated to these Committees are set out in Board resolutions.

### 4.2 Relationship with management

- Directors may delegate their powers as they consider appropriate. However, ultimate responsibility for strategy and control rests with the Directors.
- Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- Directors are entitled to request additional information at any time when they consider it appropriate.

### 4.3 Role of the CEO

- The management function is conducted by, or under the supervision of, the CEO as directed by the Board (and by other officers to whom the management function is properly delegated by the CEO).
- The Board approves corporate objectives for the CEO to satisfy and, jointly with the CEO, develops the duties and responsibilities of the CEO.
- The CEO is responsible for implementing strategic objectives, plans and budgets approved by the Board.



## 5 Board process

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### 5.1 Meetings

- The Board will meet regularly.
- From time-to-time, the Non-executive Directors may meet without Executive Directors or management present.
- Directors will use all reasonable endeavours to attend Board meetings in person.
- The Company's Constitution governs the regulation of Board meetings and proceedings.

### 5.2 The Chair

- The Board will appoint one of its members to be Chair.
- The Chair represents the Board to the shareholders and communicates the Board's position.

### 5.3 The Company Secretary

- The Board will appoint at least one Company Secretary.
- The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the functioning of the Board.
- The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.
- All Directors will have direct access to the Company Secretary.



## Attachment 1

### **Reliance Worldwide Corporation Limited**

**ACN 610 855 877**

**Adopted by the Board on [insert date]**

### **Guidelines of the Board of Directors – Independence of Directors**

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Part 2 of the Company's 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.

In general, Directors will be considered to be 'independent' if they are not members of management (a Non-executive Director) and they:

- are not employed, or been previously employed in an executive capacity by the Company or another group member, and there has been a period of at least 3 years between ceasing such employment and serving on the Board;
- have not within the last three years been a partner, director or senior employee of a provider of material professional services to the Company or another group member;
- have not within the last three years been in a material business relationship (eg as a supplier or customer) with the Company or other group member or an officer of or otherwise associated directly or indirectly someone with such a relationship;
- are not a substantial shareholder of the Company, or officer of, or otherwise associated directly or indirectly with, a substantial shareholder of the Company;
- have no material contractual relationship with the Company or another group member, other than as a Director of the Company;
- do not have close family ties with any person who falls within any of the categories described above;
- have not been a Director of the entity for such a period that his or her independence may have been compromised; and
- are free from any interest, business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

#### **Materiality**

The Board will consider the materiality of the Directors' interests, position, associations or relationships for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles.