



Board Charter

**Reliance Worldwide Corporation Limited
(Company)**

ACN 610 855 877

Adopted by the Board on **26 June 2020**

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Attachment 1

Guidelines relevant to assessing the Independence of Directors

1 Introduction

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

2.1 Board composition and size

- 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 and addresses the existing and emerging business and governance issues relevant to the Company.

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 a Director to be independent where he or she is free of any interest, position or relationship that might influence, or might 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 shareholder or other party. 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 (4th edition) (see Attachment 1).

3 Board role and responsibilities

3.1 Board role

The Board's role is to demonstrate leadership and:

- 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 strategic 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 monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- keep shareholders 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**);
- overseeing the CEO's role in selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of senior executives;
- 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 defining the Company's purpose, setting strategic objectives and approving operating budgets;
- setting the risk appetite within which the Board expects management to operate;
- 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 (for both financial and non-financial risks) to satisfy itself that it continues to be sound and the Company is operating with due regard to the risk appetite set by the Board;
- monitoring corporate performance and management's implementation of the Company's strategy and promotion of the Company's values;
- 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;
- considering and approving financial reports, profit forecasts and other reports required at law or under the ASX Listing Rules to be adopted by the Board;

- 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 securities;
- setting and reviewing the Company's corporate governance policies;
- approving the Company's values and Code of Conduct and monitoring corporate culture;
- approving the measurable objectives for achieving diversity in the composition of the Board, senior executive team and workforce generally and assessing the Company's progress in achieving those objectives;
- receiving information regarding material breaches of the Code of Conduct and Anti-Bribery and Corruption Policy and reports of material incidents under the Company's Whistleblower Policy;
- satisfying itself that the Company's remuneration framework is aligned with the Company's purpose, values, strategic objectives and risk appetite; 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 demonstrate 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

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.
- The Board is responsible for satisfying itself that the Board reporting framework is appropriate.
- Directors are entitled to request additional information at any time when they consider it appropriate.
- The Board will regularly monitor the performance of the CEO and senior executive team and where required, provide feedback to and challenge the CEO and senior executives.

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

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 Chair

- The Board will appoint one of its members to be Chair.
- The Chair will be an independent director.
- The Chair is responsible for leading the Board, facilitating effective contribution by all Directors and promoting constructive and respectful relations between Board members and between the Board and management.
- The Chair represents the Board to the shareholders and communicates the Board's position.

5.3 Company Secretary

- The Board will appoint at least one Company Secretary.
- The Company Secretary is accountable directly 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 and vice versa.

Attachment 1

Guidelines relevant to assessing 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, a Director will not be considered to be 'independent' if he/she:

- is, or has been, employed in an executive capacity by the Company or another group member and there has not been a period of at least 3 years between ceasing such employment and serving on the Board;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive plan of, the Company;
- is, or has been, within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the Company or other group member or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or is or has been within the last 3 years an officer or employee of, or professional adviser to, a substantial shareholder;
- has close personal ties with any person who falls within any of the categories described above; or
- has been a Director of the Company for such a period that his or her independence from management and substantial shareholders may have been compromised.

Notwithstanding the above, the Board may determine that a Director is independent if the Board is of the view that the interest, position or relationship in question is not material and will not 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.