

Board Charter

COVENTRY GROUP LTD
ACN 008 670 102
(Company)

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Board Charter

1. Introduction

- 1.1 In carrying out its responsibilities and exercising its powers as contained in this Charter, the Board at all times recognises its continuing responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the shareholders of Coventry Group Ltd (“CYG” or “the Company”), as well as its employees, customers, suppliers and the community.

2. Purpose and Principal Role of the Board

- 2.1 The Board sets the “tone at the top” and as such must:
- (a) demonstrate leadership which is aligned with the values adopted by CYG;
 - (b) define CYG’s purpose and set its strategic and financial objectives;
 - (c) ensure CYG’s statement of values and Code of Conduct articulate the culture desired within the business and are regularly reviewed.

3. Board Responsibilities

- 3.1 In addition to matters expressly required by relevant legislation to be approved by the Board, responsibilities specifically reserved for the Board are as follows:
- (a) appointing the Chairman;
 - (b) appointing and removing the Chief Executive Officer and determining the terms and conditions of employment (including remuneration);
 - (c) setting criteria for, and evaluating at least annually, the performance of the Chief Executive Officer;
 - (d) approving the appointment and replacement of other senior executives and the Company Secretary;
 - (e) overseeing and challenging management in its implementation of CYG’s strategic and financial objectives and its promotion of and adherence to CYG’s values and culture expectations;
 - (f) approving CYG’s operating budgets and major capital expenditure;
 - (g) overseeing the integrity of CYG’s accounting and corporate reporting systems, including the external audit;
 - (h) ensuring the Company’s Continuous Disclosure Policy is adhered to;
 - (i) setting the risk appetite within which the Board expects management to operate and ensuring CYG has an appropriate risk management and internal control framework for managing financial and non-financial risks which enables relevant reporting by management to the Board;
 - (j) ensuring CYG’s remuneration policies are aligned with its purpose, values, strategic and financial objectives and risk appetite;
 - (k) approving significant changes to the organizational structure of CYG;
 - (l) approving the acquisition, establishment, disposal or cessation of any significant business of CYG;
 - (m) approving the issue of any shares, options, equity instruments or other securities in CYG or the incurrence of debt facilities; and
 - (n) approving any matters in excess of delegations that, from time to time, it may have delegated to the Chief Executive Officer and senior management.

- 3.2 In performing the responsibilities set out above, the Board acts at all times:
- (a) in a manner designed to create and build sustainable value for shareholders; and
 - (b) in accordance with the duties and obligations imposed upon them by the Company's Constitution and by relevant legislation.

4 Management Responsibilities

- 4.1 The CYG senior management team, led by the Chief Executive Officer, is responsible for developing and implementing strategic plans which align with the strategic objectives set by the Board.
- 4.2 The CYG senior management team must lead and function in accordance with the statement of values and Code of Conduct approved by the Board within the risk appetite set by the Board. In doing so, it is expected they will drive desired behaviour and conduct throughout the Company.
- 4.3 The CYG senior management team is responsible for providing the Board with accurate, timely and clear information on the Company's operations. This responsibility extends beyond just financial information such that the Board receives assurances that the Company continues to comply with its statutory, regulatory and legal obligations and that the Company's values and code of conduct continue to be adhered to.

5 Board Membership

- 5.1 The Board will comprise a majority of independent Directors.
- 5.1 The Chairman of the Board will be an independent Director.

6 Independence

- 6.1 An independent Director is a non-executive Director (ie. is not a member of management) and:
- (a) is not a substantial shareholder of CYG or an officer of, or otherwise associated directly with, a substantial shareholder of CYG;
 - (b) within the last three years has not been employed in an executive capacity by CYG or another group member, or been a director of CYG within three years after ceasing to hold any such employment;
 - (c) within the last three years has not been a principal of a material professional adviser or a material consultant to CYG or another group member, or an employee materially associated with the service provided;
 - (d) is not a material supplier or customer of CYG or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
 - (e) has no material contractual relationship with CYG or another group member other than as a Director of CYG;
 - (f) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of CYG;
 - (g) is free from any interest and any 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 CYG.

6.2 For the purpose of this Section 6,

- (a) substantial shareholder has the Corporations Act meaning – ie. having a relevant interest in 5% or more of a company's capital;
- (b) a material professional adviser or consultant means the provision of ongoing legal, taxation, financial, auditing, strategic and risk/insurance consultancy services;
- (c) a material supplier or customer does not include a supplier or customer representing less than 5% of the value of purchases or sales respectively for goods and services by CYG or other group member;
- (d) that in relation to the term served on the Board by a Director, a period in excess of 12 years, of itself, is not perceived to interfere with the Director's ability to act in the best interests of CYG;
- (e) principal does not include a non-executive Director; and
- (f) in considering the independence of a Director, family ties and cross relationships will also be taken into account and will be required to be disclosed to the Board.

7 Chair of the Board

7.1 The Chair of the Board will:

- (a) be an independent Director;
- (b) lead the Board and ensure all Directors are able to make an effective contribution in a constructive, respectful and appraising manner;
- (c) ensure there is a collegiate relationship between the Board and management; and
- (d) be responsible for the content and conduct of each Board meeting.

7.2 Deputy Chair

- (a) The Board of CYG has determined not to appoint a Deputy Chair but will consider the need from time to time.

8 Meetings

8.1 Board and committee papers will be provided to Directors, where possible, four days prior to the relevant meeting.

8.2 The non-executive Directors will meet as required for private discussion of management issues.

9 Board Committees

9.1 The Board will, from time to time, establish committees to assist it in carrying out its responsibilities and adopt charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.

9.2 The Board will, as a minimum, establish the following committees:

- (a) an Audit & Risk Committee; and
- (b) a Remuneration Committee.

10 Self-Assessment

- 10.1 The Board will undertake a biennial performance evaluation of itself that:
- (a) compares the performance of the Board with the requirements of its charter; and
 - (b) effects any improvements to the Board charter deemed necessary or desirable.
- 10.2 The performance evaluation will be conducted in such manner as the Board deems appropriate.
- 10.3 Each Board Committee will also undertake an appropriate biennial performance evaluation of itself.

11 Appointment

- 11.1 Letters of appointment will be provided for each new appointee to the Board as well as for the Chief Executive Officer, Chief Financial Officer, Company Secretary and other senior executives reporting to the Chief Executive Officer setting out the key terms and conditions relative to the appointment.

12 Term of Office

- 12.1 Subject to circumstances prevailing at the time and CYG's ability to find a suitable replacement, a Director shall retire from the Board no later than the conclusion of the Annual General Meeting occurring after the twelfth anniversary of the Director's first appointment or election to the Board.

The Board may consider variations to this policy in exceptional circumstances.

13 Access to Independent Professional Advice

- 13.1 Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required, which will not be unreasonably withheld.