

Board Charter

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Qualitas Limited ACN 655 057 588

(Company)

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Board Charter

1. Introduction

- 1.1 Qualitas Limited ACN 655 057 588 (**Company**) is a listed public company.
- 1.2 The Board is responsible for the corporate governance of the Company and its related bodies corporate (**Group**).
- 1.3 The purpose of this charter is to:
 - (a) promote high standards of corporate governance;
 - (b) clarify the role and responsibilities of the Board; and
 - (c) enable the Board to provide strategic guidance for the Group and effective management oversight.
- 1.4 This charter is supported by the Code of conduct for directors, senior executives and all other employees, the charters for the Nomination, Remuneration and Governance Committee and Audit, Risk and Compliance Committee, Securities Trading Policy and the Market Disclosure Policy.
- 1.5 For the purpose of this charter, senior executives include all officers and employees who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance.
- 1.6 To the extent that there is any inconsistency between this charter and the Company's constitution, the constitution will prevail in respect of that inconsistency.

2. Board size, composition and independence

- 2.1 There must be a minimum of three directors and may only be a maximum of eight directors.
- 2.2 The board of the Company (**Board**) should ideally comprise:
 - (a) a majority of independent non-executive directors;
 - (b) directors with an appropriate range of skills, experience and expertise;
 - (c) directors who can understand and competently deal with current and emerging business issues; and
 - (d) directors who can effectively review and challenge the performance of management and exercise independent judgment.
- 2.3 An independent non-executive director is one who:
 - (a) is independent of management;
 - (b) is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their unfettered and independent judgment; and

- (c) otherwise meets the criteria for independence set out in the *Corporate Governance Principles and Recommendations 4th Edition* published by the ASX Corporate Governance Council.
- 2.4 The Board has formulated various criteria to determine the independence of directors.
- 2.5 The Board should regularly assess whether each non-executive director is independent and each non-executive director should provide to the Board all information relevant to his or her assessment.
- 2.6 If a director's independent status changes, this should be immediately disclosed and explained to the market.
- 2.7 The directors have absolute discretion to determine the appropriate composition of the Board from time to time. The Company's intention is to have a majority of independent non-executive directors, but this may not always be possible given the size of the Board and circumstances of the Group.
- 2.8 The Nomination, Remuneration and Governance Committee is responsible for recommending candidates for appointment to the Board.
- 2.9 Each director is appointed by a formal letter of appointment setting out the key terms and conditions of their appointment to ensure that each director clearly understands the Company's expectations of him or her.

3. The Board's role and responsibilities

- 3.1 The Board acts in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company and the Group.
- 3.2 The Board is responsible for:
 - (a) overseeing the Group, including providing leadership and setting its strategic objectives, control and accountability systems;
 - (b) defining the Company's purpose and overseeing the development and approval of the Company's statement of values to underpin the Company's desired culture;
 - (c) appointing the chairperson of the Board;
 - (d) appointing and removing the Group Managing Director;
 - (e) monitoring the performance of the Group Managing Director;
 - (f) where appropriate, ratifying the appointment and removal of senior executives and company secretary;
 - (g) ratifying other senior executive appointments, organisational changes and senior management remuneration policies and practices and ensuring that the remuneration policies are aligned with the Company's purpose, values, strategic objectives and systems of risk management;
 - (h) approving succession plans for management;

- (i) monitoring senior executives' performance and implementation of strategy, instilling of the Company's values and performance generally, and ensuring appropriate resources are available;
- (j) reporting to shareholders;
- (k) providing strategic advice to management;
- (l) approving management's corporate strategy and performance objectives;
- (m) determining and financing of dividend payments;
- (n) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
- (o) approving and monitoring operating budgets, corporate, financial and other reporting systems, including external audit, and overseeing their integrity;
- (p) reviewing and ratifying systems of risk management, accountability, internal compliance and control, and legal compliance to ensure appropriate compliance frameworks and controls are in place;
- (q) reviewing and overseeing the implementation of the code of conduct for directors, senior executives and all other employees;
- (r) approving the charters of the various Board committees;
- (s) monitoring and ensuring compliance with all legal and regulatory requirements and ethical standards and policies;
- (t) monitoring and ensuring compliance with best practice corporate governance requirements including the development, adoption and monitoring compliance with an environmental, social, and governance (**ESG**) policy; and
- (u) 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;
- (v) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the board; and
- (w) challenging management and holding it to account.

3.3 In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board committee, or subcommittee, a director or other person, subject to ultimate responsibility residing with the directors.

3.4 The matters specifically reserved for the Board or its committees (as relevant) include:

- (a) appointment of a chairperson of the Board;
- (b) appointment and removal of the Group Managing Director;
- (c) appointment of a director to fill a casual vacancy or as an additional director;
- (d) establishment of Board committees, their membership and delegated authorities;
- (e) approval of dividends;

- (f) review of corporate codes of conduct;
- (g) approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- (h) calling of meetings of directors or shareholders; and
- (i) any other specific matters nominated by the Board from time to time.

4. Performance of senior executives

4.1 The Board is responsible for:

- (a) regularly reviewing the performance of senior executives against measurable and qualitative indicators as decided by the Board; and
- (b) ensuring that induction procedures are in place to allow new senior executives to participate fully and actively in management decision-making at the earliest opportunity.

4.2 New senior executives must have knowledge about the Company and the industry within which it operates. An induction program is available to enable senior executives to gain an understanding of:

- (a) the Company's financial, strategic, operational and risk management position;
- (b) the rights, duties and responsibilities of senior executives; and
- (c) the respective rights, duties, responsibilities and roles of the Board and senior executives.

5. Board Committees

5.1 The Board has established the following committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:

- (a) Audit, Risk and Compliance Committee;
- (b) Nomination, Remuneration and Governance Committee; and
- (c) Investment Committee.

5.2 The Terms of Reference of each Board committee setting out matters relevant to the composition, responsibilities and administration of the committee must be approved by the Board. Each committee will review its Terms of Reference from time to time as appropriate.

6. Audit, Risk and Compliance Committee

6.1 The objective of the Audit, Risk and Compliance Committee is to:

- (a) assist the Board achieve its objective in relation to:
 - (i) reviewing the integrity of the Company's management and financial reporting and disclosures and the Company's auditing, accounting and financial reporting processes;
 - (ii) monitoring compliance with relevant laws and regulations;

- (iii) reviewing the effectiveness of the risk management framework incorporating management, operational and financial controls; and
 - (iv) facilitating high standards of business ethics and corporate governance through oversight of the Company's business policies and practices; and
- (b) The Committee will also endeavour to:
- (i) oversee the maintenance and improvement of the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis);
 - (ii) promote a culture of compliance and ensure compliance strategies and the compliance function are effective;
 - (iii) oversee the maintenance and improvement of an effective risk management framework;
 - (iv) ensure effective communication between the Board and the senior financial, risk and compliance management;
 - (v) ensure effective and efficient internal and external audit functions and communication between the Board and the external and internal auditors;
 - (vi) monitor the Company's adherence to the Code of Conduct adopted by the Board as amended from time to time; and
 - (vii) ensure effective communication to regulators and other stakeholders.

6.2 Subject to section 6.3, the Audit, Risk and Compliance Committee should comprise:

- (a) at least three directors who are financially literate (and at least one of whom is financially qualified and competent);
- (b) a majority of independent directors.

6.3 While the Company will aim to have an Audit, Risk and Compliance Committee of at least the size and composition outlined in section 6.1(a) above, this may not always be practicable given the size of the Board and the circumstances of the Group, including the nature of the Group's business. Accordingly, the Board has absolute discretion to determine the appropriate size and composition of the Audit, Risk and Compliance Committee from time to time.

6.4 The Board will appoint its chairperson. The chairperson must be an independent chairperson and may not be the chairperson of the Board.

7. Nomination, Remuneration and Governance Committee

7.1 The objective of the Nomination, Remuneration and Governance Committee is to help the Board achieve its objective to ensure the Company:

- (a) has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (b) has appropriate ethical standards and corporate governance practices, including in relation to its organisational policies, Board committees, other ad-hoc committees, induction processes and other corporate governance best practice principles;

- (c) issues an annual corporate governance statement;
 - (d) has coherent and progressive remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
 - (e) observes those remuneration policies and practices; and
 - (f) fairly and responsibly rewards executives having regard to the performance of the Group, the performance of the executives and the general pay environment.
- 7.2 Subject to section 7.3, the Nomination, Remuneration and Governance Committee should comprise:
- (a) at least three members;
 - (b) a majority of independent directors.
- 7.3 While the Company aims to have a Nomination, Remuneration and Governance Committee of at least the size and composition outlined in section 7.2 above, this may not always be practicable given the current size of the Board and circumstances of the Group, including the nature of the Group's business. Accordingly, the Board has absolute discretion to determine the appropriate size and composition of the Nomination, Remuneration and Governance Committee from time to time.
- 7.4 The Nomination, Remuneration and Governance Committee will appoint its chairperson. The chairperson of the Nomination, Remuneration and Governance Committee must be an independent director.

8. Investment Committee

- 8.1 The objective of the Investment Committee is to help the Board achieve its objective to ensure the Company:
- (a) undertakes co-investment in its funds in a manner which is consistent with Board approved funds or fund strategies and co-investment return parameters; and
 - (b) engages in underwriting, warehousing or bridging capital for its funds in a manner which is consistent with Board delegated approvals and return parameters; and
 - (c) consider any other issues as directed by the Board.
- 8.2 Subject to section 8.3, the Investment Committee should comprise:
- (a) at least four members;
 - (b) a majority of independent directors.
- 8.3 While the Company aims to have a Investment Committee of at least the size and composition outlined in section 8.2 above, this may not always be practicable given the current size of the Board and circumstances of the Group, including the nature of the Group's business. Accordingly, the Board has absolute discretion to determine the appropriate size and composition of the Investment Committee from time to time.
- 8.4 The Board will appoint the chairperson of the Investment Committee. The chairperson of the Investment Committee must be an independent director.

9. Chairperson of the Board

9.1 The chairperson of the Board:

- (a) is appointed by the directors;
- (b) should be an independent non-executive director; and
- (c) may not be the same person as the Group Managing Director.

9.2 The division of the responsibilities of the chairperson of the Board and the Group Managing Director has been agreed by the Board and is set out in this charter.

9.3 The responsibilities of the chairperson of the Board include:

- (a) providing leadership to the Board and the Group;
- (b) promoting the efficient organisation and conduct of the Board's functions;
- (c) provide support, mentoring and guidance to the Group Managing Director and where appropriate, the management team;
- (d) ensuring the Board considers and adopts strategies designed to meet present and future needs of the Group;
- (e) ensuring the Board has an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (f) monitoring and reviewing the performance of the Board and individual directors of the Board (annually or at such other times as determined by the chairperson);
- (g) facilitating Board discussions to ensure core issues facing the Group are addressed;
- (h) briefing all directors in relation to issues arising at Board meetings;
- (i) facilitating the effective contribution and ongoing development of all directors;
- (j) provide a leadership interface with shareholders and key stakeholders;
- (k) promoting constructive and respectful relations between Board members and between the Board and management;
- (l) ensuring the Board regularly meets to consider the Group's performance and key issues facing it;
- (m) setting the agenda for the Board meetings after consulting with the Group Managing Director; and
- (n) chairing all Board and general meetings.

10. Group Managing Director and executive team

10.1 Responsibility for day-to-day management and administration of the Group is delegated by the Board to the Group Managing Director and the executive team (if appointed).

10.2 The Group Managing Director manages the Group in accordance with the strategy, plans and policies approved by the Board.

10.3 The Group Managing Director is appointed by the Board.

- 10.4 The Group Managing Director may not be the same person as the chairperson of the Board.
- 10.5 The responsibilities of the Group Managing Director include:
- (a) leading and managing the business by developing and recommending to the Board strategies, business plans and annual budgets for the Group;
 - (b) implementing the strategies, business plans and budgets adopted by the Board;
 - (c) providing effective leadership, direction and supervision of the executive and senior management team to achieve the strategies, business plans and budgets adopted by the Board;
 - (d) developing and managing resources, policies and systems to ensure the effective operation of the Group (including developing and implementing policies on risk management, internal controls and human resources);
 - (e) managing resources within budgets approved by the Board;
 - (f) representing the Company with all external audiences;
 - (g) ensuring compliance with applicable laws and regulations;
 - (h) ensuring the Board is given sufficient information to enable it to perform its functions, set strategies and monitor performance; and
 - (i) acting within authority delegated by the Board.
- 10.6 The Board has in place procedures to assess the performance of the Group Managing Director and executive team (if appointed).

11. Directors

- 11.1 Directors are expected to attend and participate in Board meetings and meetings of committees on which they serve.
- 11.2 Directors are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 11.3 Directors are expected to review meeting materials before Board meetings and committee meetings.
- 11.4 Directors are encouraged to ask questions of, request information from, and raise any issue of concern with, management. Directors are encouraged, where possible, to ask any questions and raise issues of concern before a meeting so that management is prepared to address them.
- 11.5 Directors must exercise independent judgment when making decisions.
- 11.6 Publicly, directors are expected to support the letter and spirit of Board decisions.
- 11.7 Directors must keep Board information, discussions, deliberations, and decisions that are not publicly known, confidential.
- 11.8 Directors must comply with their legal duties when discharging their responsibilities as directors. Broadly, these duties are:
- (a) to act in good faith and in the best interests of the Company;

- (b) to act with care, skill and diligence;
- (c) to act for proper purposes;
- (d) to avoid a conflict of interest or duty; and
- (e) to refrain from making improper use of information gained through the position of director or taking improper advantage of the position of director.

12. Non-executive directors

- 12.1 Non-executive directors should consider the benefits of conferring regularly without management present, including at scheduled sessions or as otherwise required by the circumstances.
- 12.2 These discussions of non-executive directors can be facilitated by the chair.
- 12.3 A non-executive director should inform the chairperson of the Board before accepting any new appointment as a director of another listed entity, another material directorship or other position with a significant time commitment attached.

13. Conflicts

- 13.1 Directors are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.
- 13.2 Directors must:
 - (a) disclose to the Board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
 - (b) take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
 - (c) comply with the *Corporations Act 2001* (Cth) and the Company's constitution in relation to disclosing material personal interests and restrictions on voting.
- 13.3 If a conflict exists in relation to a particular matter, it is expected that the Board and the relevant director to whom the conflict relates will adhere to the Company's conflict management framework and policy in respect of such conflict, including if required the relevant director leaving the room when the Board is discussing that matter to which the conflict relates.

14. Access to information and independent advice by directors

- 14.1 Directors have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- 14.2 Directors have access to:
 - (a) management to seek explanations and information from management; and
 - (b) auditors, both internal and external, to seek explanations and information from them without management being present.
- 14.3 Directors may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the directors.

- 14.4 If the chairperson of the Board consents, the Company will pay a director's costs of seeking independent professional advice. That consent may not be unreasonably withheld or delayed.

15. Retirement of directors

- 15.1 At the end of every annual general meeting, at least two of the directors must retire.
- 15.2 A director must retire at or before the end of the third annual general meeting after the director's appointment even if it means that more than one-third of directors retire at an annual general meeting.
- 15.3 Those directors who have been longest in office since their last appointment must retire by rotation. Directors appointed on the same day may agree among themselves or determine by lot who must retire.
- 15.4 The Group Managing Director or a director appointed to fill a casual vacancy or as an addition to the Board is not subject to retirement by rotation and is not taken into account when determining how many directors must retire by rotation. A director appointed to fill a casual vacancy or as an addition to the Board must retire at the next annual general meeting after their appointment, but is eligible for election.

16. Codes of conduct

- 16.1 The Group has adopted a Code of Conduct setting out its legal and other obligations to all legitimate stakeholders including employees, customers and the community.
- 16.2 The Group has adopted a Code of conduct for directors, senior executives and all other employees setting out required standards of behaviour, for the benefit of all shareholders.
- 16.3 Each director, officer and employee will be given a copy of the Code of conduct applicable to their position when joining the Group.

17. Communication of information

- 17.1 The Board will:
- (a) communicate effectively with shareholders;
 - (b) give shareholders ready access to balanced and understandable information about the Group and its corporate goals; and
 - (c) make it easy for shareholders to participate in general meetings.
- 17.2 The Board has adopted a communications strategy to facilitate and promote effective communication with shareholders and encourage participation at general meetings.

18. Review of Board performance

- (a) The chairperson will review the performance of each non-executive director of the Board annually or at such other times determined by the chairperson.
- (b) The chairperson of the Nomination, Remuneration and Governance Committee will review the performance of the chairperson of the Board annually or at such other times

determined by the chairperson of the Nomination, Remuneration and Governance Committee.

- (c) The Nomination, Remuneration and Governance Committee will annually review:
 - (i) the performance of the Group Managing Director;
 - (ii) the Board's role;
 - (iii) the processes of the Board and Board committees; and
 - (iv) the Board's performance.

19. Review and changes to this policy

- 19.1 The Board will review this charter periodically to ensure that it is operating effectively and whether any changes are required.
- 19.2 The Board may change this charter from time to time by resolution.

20. Approved and adopted

This charter was approved and adopted by the Board on 15 November 2021.