



**THORNEY**

TECHNOLOGIES

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# **BOARD CHARTER**

THORNEY TECHNOLOGIES LTD

ABN 66 096 782 188

Level 39, 55 Collins St. Melbourne VIC 3000 Australia

This policy was first approved on 15 November 2016, to have effect from the re-listing of Thorney Technologies Ltd (**Company**) as an ASX Listed Investment Company.

The policy has been reviewed in June 2021.

## **1. Introduction**

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- 1.1 This Charter sets out the objectives, responsibilities and framework for operation of the Board as established in accordance with the Constitution of the Company. To the extent of any conflict between the terms of this Charter and the Constitution, the Constitution prevails.

## **2. Definitions**

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**Board** means the Board of Directors of the Company.

**Committee** means a standing committee created by the Board.

**Company** means Thorney Technologies Ltd ACN: 096 782 188

**Directors** means the members of the Board.

**Investment Manager** means Thorney Management Services Pty Ltd ACN: 164 880 148

**Members** means shareholders of the Company.

## **3. Purpose of Charter**

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- 3.1 The Board Charter sets out the role, composition and responsibilities of the Board of the Company.
- 3.2 The conduct of the Board is also governed by the Constitution of the Company, a copy of which is located at [www.thorney.com.au/thorney-technologies/](http://www.thorney.com.au/thorney-technologies/)

#### **4. Board size, composition and independence**

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- 4.1 The Company's Constitution provides for a minimum of three directors and a maximum of ten directors. The Company shall have a Board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively. The Board may review its numbers from time to time.
- 4.2 The Board is not required to be comprised of a majority of independent non-executive directors. An independent director is a non-executive director and:
- Is not a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
  - Within the last three years has not been employed in an executive capacity by the company or another group member, or been a director after ceasing to hold any such employment;
  - Within the last three years has not been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided;
  - Is not a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer and has no contractual relationship with the company or another group member other than as a director of the company;
  - 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 the company; and
  - Is free from any interest and any business or other relationship which could, or could be reasonably perceived to, materially interfere with the director's ability to act in the best interests of the company.
- 4.3 Under accounting standards the Board cannot specify a uniform quantitative threshold for materiality or predetermine what could be material in a particular situation. Therefore, the threshold for materiality for the purpose of assessing the materiality of relationships between a non-executive director and the Company (other than as a director) will be judged according to the significance of the relationship to the director in the context of their activities as a whole.
- 4.5 Membership of the Board shall be disclosed in the annual report including whether a director is independent or not independent. Loss or gain of independence will be disclosed to the market immediately.
- 4.6 The Board has not adopted a tenure policy.

## **5. The Board's role and responsibilities**

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- 5.1 The Board is responsible for promoting the success of the Company in a way which ensures that the business objectives of the Company are aligned with the expectations of Members and that the interests of Members and stakeholders are promoted and protected.
- 5.2 The Board has delegated authority for the operations and administration of the Company to the Investment Manager.
- 5.3 Specifically, the Board is responsible for:
- Demonstrating leadership and setting the purpose and strategic direction of the Company;
  - monitoring and assessing the performance of the Investment Manager, ensuring that the Board is satisfied an appropriate framework is in place for relevant information to be reported by the Investment Manager to the Board, and when required; challenging the Investment Manager;
  - approving the objectives, goals and strategic plans proposed by the Investment Manager with a view to maximising shareholder value;
  - ratifying significant investment portfolio transactions and monitoring portfolio performance;
  - undertaking Director nomination matters which includes succession planning and ensuring that an appropriate mix of skills, expertise and diversity is maintained;
  - maintaining and approving risk management and internal control systems, for financial and non-financial risks;
  - oversight of the Company's process of communications and disclosures;
  - approving capital management, capital expenditure and acquisitions;
  - developing and approving Company policies, procedures, statement of values and code of conduct, underpinning the desired culture within the Company; and
  - appointing the Chairman of the Board.

## **6. Chairman of the Board**

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- 6.1 The Chairman is a non-independent non-executive director.
- 6.2 Should the Chairman be absent from a meeting, the directors present at the meeting have authority to choose one of their number to chair that particular meeting.
- 6.3 The Chairman will:
- lead the Board;
  - promote efficient organisation and conduct of the Board and its functions;
  - effectively facilitate Board discussions, ensuring the constructive contribution of directors, and respectful relations between directors, the Board and Investment Manager;
  - ensure that all core issues facing the Company are addressed in Board Meetings;
  - brief all Directors in relation to issues arising at Board Meetings;
  - effectively manage shareholder communications;
  - arrange and monitor the performance of the Board; and
  - chairing general meetings.

## **7. Lead Independent Director**

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- 7.1 If the Chairman is not an Independent Director, an Independent Director will be nominated to act as the Lead Independent Non-Executive Director.
- 7.2 The Lead Independent Non-Executive Director will:
- where required, act as a liaison point for Independent Non-Executive Directors;
  - confer with Chairman on any issues raised by independent Non-Executive Directors in connection with the discharge by the Chairman of his responsibilities; and
  - confer on a regular basis with the Independent Non-Executive Directors on issues relating to the business and operations of the Company and the discharge by the Board and each Committee of the Board of their respective functions and obligations.
- 7.3 The Lead Independent Non-Executive Director may, in discharging their role, convene a meeting of the Independent Non-Executive Directors for the purpose of discussing any issue of interest to the Independent Non-Executive Directors. The Company Secretary will, if required, provide such assistance as may be required in order to convene that meeting and attend and take minutes of proceedings.

## **8. Directors**

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- 8.1 Directors of the Company are required to act honestly, diligently, transparently and in the best interest of Members and should endeavour to ensure that the business of the Company is managed and conducted efficiently, that shareholder value is enhanced and that security holder expectations are met or exceeded.
- 8.2 Directors are required to respect and observe compliance of the laws in each jurisdiction that the Company operates in and must:
- discharge their duties in good faith and in the best interests of Members and for a proper purpose;
  - act with care and diligence, demonstrate commercial reasonableness in their decision making and with the level of skill and care expected of a Director of a listed entity;
  - avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
  - act for the benefit of the Company at all times;
  - not make improper use of information gained through their position as Director; and
  - make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals.
- 8.3 A Director who has a material personal interest in a matter that relates to the affairs of the Company must disclose that interest to the other Directors and should not participate in discussions at a meeting or vote on the matter unless permitted by the Corporations Act. Directors should inform the Company Secretary of any related party transactions.
- 8.4 Any event or circumstance that may impact on the status of that Director as an independent Director or otherwise reflect on their capacity to serve, should immediately be disclosed to the Chairman.
- 8.5 All Directors must observe the requirements in the Trading Policy.
- 8.6 Access to the Investment Manager:
- Directors should have access to the Investment Manager for the purposes of seeking information or asking questions.
  - Where appropriate, presentations should be made by senior management of the Investment Manager to Board members in respect of recurring issues of interest to the Board and on special items of interest, identified by the Board or by the Investment Manager, from time to time.

## **8. Directors** continued

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- 8.7 The Directors shall retire from office in accordance with Clause 7 of the Constitution of the Company, the applicable sections of the Corporations Act and/or the applicable ASX Listing Rules.
- 8.8 In the event that any Director wishes to take professional advice in relation to any aspect of the performance of their duties as a Director of the Company, they may do so at the Company's expense. The Director should first contact the Chairman and the Company Secretary who will, if required by the Director, assist in procuring that professional advice.
- 8.9 Directors must keep confidential Board discussions, deliberations and decisions which have not been publicly disclosed. Confidential information received by Directors in the course of exercising their duties remains the property of the Company.

## **9. Company Secretary**

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- 9.1 The Company Secretary should:
- monitor compliance with Board policies and procedures; and
  - co-ordinate the completion and despatch of the Board agenda and supporting papers in a timely manner.
- 9.2 The Company Secretary should be responsible for:
- in conjunction with the Chairman, organising Board meetings;
  - with input from the Chairman and any other Director, preparing agendas;
  - coordinating the preparation of Board papers; and
  - organising Directors' attendances at Board and Committee meetings.
- 9.3 The Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

## **10. Reporting**

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- 10.1 Proceedings of all meetings must be minuted and signed by the Chairman or the chairman of the meeting.
- 10.2 Minutes of all Board meetings are circulated to directors and approved by the Board at the subsequent meeting.

## **11. Review of Charter**

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- 11.1 The Board will review this charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

## **12. Publication of the Charter**

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- 12.1 Key features of the charter are outlined in the annual reports to shareholders each year.
- 12.2 A copy of the charter is available at <https://thorney.com.au/thorney-technologies/>.
- 12.3 The charter is to be made available to shareholders of the Company upon request.

## **13. Other Matters**

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- 13.1 A number of operational matters relating to the Board such as meetings of directors, fees, “fit and proper” requirements, powers and duties of directors, share qualification, notification of interests, appointment and retirement, alternate directors, delegation and appointment of Committees and election of directors are governed by the Constitution of the Company and are not reproduced here.