

# Board Charter

24 October 2023

---

## 1. Purpose

This Charter sets out the roles, responsibilities, structure and composition of the Board of New Hope Corporation Limited (**the Company**) and sets out the areas in which the Board delegates authority and responsibilities to the Chief Executive Officer (**CEO**) and / or to a committee of the Board, and the areas in which the Board reserves authority and responsibility. The purpose of this Board Charter is to make Board and management accountabilities clear and transparent.

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.

## 2. Board Composition

- (a) As per the Company Constitution, the Board will consist of a minimum of three Directors, and not more than ten.
- (b) It is intended that the Board 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.
- (c) The Board, together with the Nomination and Remuneration Committee, will review the skills, experience, expertise and diversity represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Company's strategy and risk appetite, and covers the skills needed to address existing and emerging business and governance issues relevant to the Company. The Board and Nomination and Remuneration Committee will have regard to this review when considering Board succession planning and ongoing director education program.
- (d) The Chair will be selected by the New Hope Board.
- (e) The Chair should not be the CEO of the Company.
- (f) The Chair's principal role is to provide leadership to the Board and to ensure the effective working of the Board in discharging its responsibilities.

## 3. Director Independence

- (a) The Board assesses the independence of each Director. In assessing independence, the Board has regard to the factors relevant to assessing the independence of a Director in the ASX Corporate Governance Council's Principles and Recommendations. The Board considers that the independence of Directors is based on their capacity to bring independent judgement to bear on issues before the Board, and act in the best interests of the Company and all its subsidiary companies (**New Hope Group** or **Group**) and its security holders ahead of all other interests.
- (b) 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.

### 4. Roles and Responsibilities of the Board

(a) The Board's role is to:

- demonstrate leadership;
- represent and serve the interests of shareholders;
- approve the strategic direction of the Group,
- oversee management;
- provide direction on the Group's desired culture; and
- ensure the implementation and maintenance of good governance practices.

(b) The Board has the following responsibilities and powers reserved for its decision:

- approving the Company's statement of values, Code of Conduct and material Group policies;
- determining the composition and powers of the Board and committees;
- approving the risk appetite within which the Board expects management to operate;
- approving the Risk Management and Control framework;
- approving major capital expenditure, acquisitions and divestitures, and overseeing capital management, including approving dividend payments;
- approving banking, finance and insurance providers and facilities;
- approving all hedging and treasury policies;
- approving parent company guarantees;
- approving of the Strategic Plan and annual budget;
- monitoring the performance of the Company;
- approving all related party transactions other than transactions between wholly owned subsidiaries in the ordinary course of business;
- appointing the CEO, and approving the recruitment of senior executives; and
- setting the remuneration of Directors, the CEO, and the CEO's direct reports.

(c) The Board maintains responsibility for approving and providing oversight and monitoring of the following:

- the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- 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;
- the performance of the CEO and senior executive team, including by undertaking an annual performance assessment of the CEO and, where required, providing feedback to and challenging the CEO and senior executives;
- the Company's remuneration policies and practices to ensure they are aligned to the Company's values, strategic direction and risk appetite;

- objectives for achieving diversity, including gender 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 Speak Up - Whistleblower Policy;
- satisfying itself that the Board reporting framework is appropriate; and
- such other functions as are prescribed by law or nominated by the Board from time to time.

### 5. Delegation to Committees

- (a) The Board will establish committees to assist it in discharging its responsibilities effectively and efficiently.
- (b) The Board has established the following standing committees;
  - Audit and Risk Committee;
  - Sustainability Committee; and
  - Nomination and Remuneration Committee.
- (c) Each committee has its own written charter setting out its role and responsibilities, composition, and the manner in which the committee is to operate. Unless the Board expressly delegates power to a committee, committees will not have decision-making powers but will make recommendations to the Board for decision.
- (d) Each committee charter should be reviewed regularly and should be available on the Company's website.
- (e) The Board will:
  - appoint the chair of each committee;
  - appoint the members of each committee; and
  - approve any changes to each committee charter.
- (f) The Board may also delegate specific functions to ad hoc committees on an 'as needs' basis.

### 6. Delegation to Management

- (a) While the Board retains ultimate responsibility for the strategy and performance of the Company, it has delegated to the CEO (who may delegate to other personnel) the authority over the day-to-day management of the Company, its subsidiaries, and their respective operations. This delegation of authority includes responsibility for:
  - developing business plans, budgets, and company strategies for consideration by the Board and, to the extent approved by the Board, implementing these plans, budgets, and strategies;
  - identifying and managing operational risks on a daily basis and, where those risks could have a material impact on the Company's businesses, formulating strategies for managing these risks for consideration by Board;
  - managing the Company's current financial and other reporting mechanisms as well as its control and monitoring systems to ensure that these mechanisms and systems capture all relevant material information on a timely basis and are functioning effectively;

- ensuring that the Board and its various committees are provided with sufficient information on a timely basis in regard to the Company's business and, in particular, with respect to the Company's performance, financial condition, operating results, and prospects, to enable the Board and those committees to discharge its duties effectively; and
  - implementing the policies, processes, and Code of Conduct approved by the Board.
- (b) The delegations are formally documented in the Company's statement of Delegated Authorities. Subject to the limits and restrictions set out in the table of authorisations, the CEO is authorised to delegate their powers as appropriate.
- (c) Directors are entitled to request additional information from management at any time when they consider it appropriate.

### 7. Company Secretary

- (a) The Board will appoint at least one Company Secretary.
- (b) The Company Secretary will coordinate all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings. All Directors will have direct access to the Company Secretary.
- (c) The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

### 8. Board Meetings

- (a) The Company's Constitution governs the regulation of Board meetings and proceedings.
- (b) The Board will meet as often as required to discharge its responsibilities effectively and efficiently and follow agreed meeting guidelines to ensure all directors are made aware of all agenda items and are provided with all necessary information to enable them to participate in informed discussion.
- (c) Directors will use all reasonable endeavours to attend Board meetings in person. Subject to the approval of the Chair, Senior Executives nominated by the CEO should attend Board and committee meetings. However, certain matters will be considered with only the Directors in attendance and periodically the Non-executive Directors will meet without management present.

### 9. Appointment and Retirement of Directors

- (a) The Board will ensure appropriate checks are undertaken before appointing a person as a Director and putting forward to shareholders a candidate for election as a Director.
- (b) The Board will provide to shareholders all material information in the Company's possession relevant to a decision on whether or not to re-elect a Director.
- (c) The Company will enter into a written agreement with each Director that sets out the key terms and conditions of their appointment, including their rights, duties, and obligations.
- (d) The Company will offer each Director an induction program.
- (e) Directors will be responsible for ensuring their continued development and education. The Company will support any cost incurred where prior approval has been given by the Chair.

- (f) Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.

### 10. Seeking Information and Advice

- (a) Any Director is entitled to seek information or clarification directly from any employee or external party provided that the Director first consults the CEO as a matter of courtesy.
- (b) The Board, a committee or an individual Director may engage an independent external adviser in relation to any Board or committee matter at the expense of the Company.
- (c) Before the external advice is sought, consent needs to be obtained from the Chair of the Board (or in the case of the Audit and Risk Committee Chair).
- (d) The Chair of the Board and committee Chair will be provided with a copy of the advice, and they may determine if the advice be circulated to the remainder of the Board or the committee.

### 11. Ethical Standards

- (a) Directors will act at all times with honesty and integrity and will demonstrate the highest standards of ethical behaviour.
- (b) The Board is responsible for monitoring the Company's culture and compliance with the Company's code of conduct and ethical standards. The CEO is responsible for instilling a culture that aligns with the Company's values.
- (c) Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.
- (d) The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair or in the case of the Chair, approval of the Chair of the Audit and Risk Committee. See Section 11.
- (e) Directors must be aware and transparent regarding actual and potential conflicts of interest. Directors must inform the Board when they believe there is a conflict or potential conflict of interest in which they are involved there is a conflict or potential conflict of interest in which they are involved, the allow assessment of the materiality of the conflict, and ensure the Board processes are carried out appropriately.
- (f) Directors must comply with the Company's policies.