



Version 1

Hansen Board Charter

June 2020



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Purpose of the Charter

This is the Charter of the Board of Hansen Technologies Limited (**Company**). The Charter governs the operations of the Board. It sets out the Board's role, responsibilities, composition, structure and membership requirements.

Defining Governance Roles

Board Composition

The Board determines the Board's size and composition, subject to any limits imposed by the Company's Constitution. The Constitution determines the basis for the election and appointment of Directors and specifies a minimum of three Directors and a maximum of ten.

In identifying suitable persons to become Directors, the Board will look to achieve an appropriate balance of relevant legal and financial management skills plus financial markets experience as well as expertise specific to the industries in which the Company and its controlled entities (together, the **Group**) operate (for further detail, see Director Selection section below). In pursuing this objective, the Board will be cognisant of its policy to pursue a balance of gender diversity at all levels of the Company's management, in keeping with the Company's Diversity Policy.

Skills

All new Directors participate in an induction program which provides a full briefing about the Group, its services and the information technology industry in which it operates.

Committees

Where appropriate, the Board is assisted in the discharge of its responsibilities by Board committees (**Committees**). The role of a Board Committee is to advise and make recommendations to the Board subject to a specific charter or mandate. Board Committees do not have the power to make decisions with respect to the management of the Group's business and affairs except as expressly defined by the Board in the relevant Committee's charter.

The current Board Committees are the:

- Audit and Risk Committee; and
- Remuneration Committee.

The Charters of all Board Committees are made publicly available on the Investor Centre of the Group's website at <https://www.hansencx.com/investor-relations/>

Independence

The Board's definition of an independent Director is one who, within the last three years, has not provided services to the Company or its subsidiaries, is unaffiliated with the Company's Executive and free from any interest, position, affiliation or relationship that could materially interfere (or could reasonably be perceived to materially interfere) with the exercise of independent judgement and capacity to act in the best interests of the Company as a whole. It is the Board's objective to strive for a majority of independent Directors and independence is a factor considered by the Board when identifying potential new Directors.

Where potential for conflict of interest is identified the Board appoints a Sub-Committee specifically structured, authorised and tasked to determine the appropriate actions or responses so as to eliminate any potential for conflicts.

Role of the Board of Directors

The role of the Board includes:

- Ensuring compliance with all applicable legislative and regulatory obligations;
- Selecting and appointing the Chief Executive Officer (**CEO**), determining the conditions of service and the basis on which performance is measured (and, should it become necessary, removing the CEO from office);
- Ensuring responsible corporate governance is understood and maintained by the Group's Management, Executive and Board members;
- Ensuring adequate risk management and reporting frameworks are maintained;
- Adopting charters setting out the membership, responsibilities and reporting obligations of each Board committee and evaluating the performance of the Board committees;
- Reviewing Board committee recommendations and, where appropriate, ensuring the recommendations are adopted by the Company;
- Protecting and enhancing the value of the assets of the Group;
- Reviewing and approving the Group's accounts;
- Reviewing and approving the one-year operating budget of the Group (on an ongoing basis) and ensuring it aligns with the strategic direction of the Company;
- Evaluating the performance and determining the remuneration of the Company's Managing Director and Key Management Personnel (**KMP**);
- Reviewing and approving Group transactions relating to acquisitions, divestments and capital expenditure above delegated authority limits; and
- Reviewing and approving the Company's financial reports and dividend policy.

Individual Directors

In order to properly and fully carry out their responsibilities, members of the Board shall have full and free access to Company Executives and other employees of the Group.

Collectively or individually, members of the Board may take independent advice considered necessary to fulfil their relevant duties and responsibilities at the Group's expense (subject to certain limitations). Individual Board members seeking such advice must obtain the approval of the Chair of the Board (**Chair**), which will not be unreasonably withheld, and the advice will be made available to all Board members as appropriate.

Directors are always expected to observe the highest standards of ethical behaviour as set out in the Company's Code of Conduct.

Role of the Chair

The Board supports the separation of the role of Chair from that of the Managing Director and the Chair must be a Non-Executive Director. The general role of the Chair is to manage the Board effectively, to provide leadership to the Board and to interface with the Managing Director. The Chair of the Board is responsible for:

- The business of the Board, considering the issues and the concerns of all Directors and the requirements of this Charter;
- The leadership and conduct of Board and ensuring Company and Board meetings proceed in accordance with the agreed agenda;
- Encouraging active engagement by and between Directors and an open and constructive relationship between the Board, the Managing Director and KMP; and
- Conducting an annual review of the performance of the Board and all Board Committees.

The Chair has the authority to act and speak for the Board and to liaise with the Company's stakeholders, subject to any agreed consultation processes.

Role of the Company Secretary

The Board will appoint at least one Company Secretary who will be accountable to the Board, via the Chair, on all matters to do with the proper 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 on behalf of the Company.

All Directors will have access to the Company Secretary as required.

Role of the CEO

The Board has delegated the responsibility for the day to day management and administration of the Group to the CEO. The management function of the Group is conducted by, or under the supervision of, the CEO in accordance with such delegations (and by other officers to whom the management function is properly delegated by the CEO (**Management**)).

The Board approves and sets annual corporate objectives and performance indicators for satisfaction by the CEO and, jointly with the CEO, develops the duties and responsibilities of the CEO.

At present, the CEO is responsible for (amongst other things and with the support of Management) implementing the strategic objectives, plans and budgets of the Group as approved by the Board. The Board assesses the CEO's performance and reviews the CEO's assessment of his management performance on an annual basis.

Key Board Functions

The Board and Strategy

The role of the Board in respect of Group strategy includes:

- Providing input to, and approval of, the Group's strategic direction and budgets as developed by Management;
- Directing, monitoring and assessing the Group's performance against strategic and business plans, to determine if appropriate resources are available; and
- Approving and monitoring capital management and major capital expenditure, acquisitions and divestments.

The Board and Management

The role of the Board in relation to Management includes:

- Appointment and removal of the CEO;
- Ratifying the appointment and removal of senior executives (which includes all executives who report directly to the CEO);
- Approving the Company's remuneration policies and framework and determining whether the remuneration and conditions of service of senior executives are appropriate and consistent with the approved remuneration policies and framework;
- Establishing and monitoring executive succession planning;
- Delegating the day to day decision making and implementation of Board-approved strategy to the CEO; and
- Setting specific limits of authority for Management.

Monitoring

The Board's performance will be monitored annually via a formal process and otherwise by Board members' periodic review. Directors are encouraged to contribute their judgements and observations as to the Board's performance at any time.

The periodic performance evaluation process for the Board is as follows:

- Each Director, as they see fit, will periodically evaluate the effectiveness of the Board and its Committees and submit observations to the Chair;
- The Chair will make a presentation to the Board incorporating his/her assessment of those observations to enable the Board to assess and, if necessary, act;
- The Board will agree and develop actions that may be required to improve performance;
- Outcomes and actions will be minuted; and
- The Chair will assess the progress of the actions to be achieved.

This process aims to ensure that individual Directors have an unrestricted opportunity to assess and comment on the performance of the Board and its Committees with the objective of enhancing the Board's effectiveness in achieving its duties and responsibilities.

The Chair will annually appoint two Directors, at least one of which must be independent, to conduct a formal performance evaluation of the Board and its underlying Committees (**Working Group**). The Working Group may commission a third party to assist in such a review if deemed desirable and appropriate.

The Working Group's evaluation will result in a formal report to the Board commenting on the Board's effectiveness against this Charter and recommending changes where required.

Risk Management

The role of the Board in respect of risk management and reporting includes:

- Identifying the principal risks of the Group's business, ensuring the Company has in place an appropriate risk management framework and establishing the acceptable levels of risk within which the Board expects Management to operate;
- Reviewing and ratifying the Group's systems of internal compliance and control, risk management and legal compliance systems, and to determine (where possible) the integrity and effectiveness of those systems; and
- Approving and monitoring material internal and external financial and other reporting, including:
 - ✓ Periodic reporting to shareholders, the ASX and other stakeholders; and

- ✓ Overseeing the Company's processes for making timely and appropriate disclosure of all material information concerning the Group that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Compliance and Corporate Governance

The role of the Board in respect of corporate governance includes:

- Selecting and appointing the Chair, and if the Company has one, the deputy chair or senior independent director;
- Ensuring ethical behaviour and compliance with the Company's own governing documents;
- Monitoring and evaluating the Company's compliance with its corporate governance standards;
- Ensuring the Company's continuous disclosure requirements are met; and
- Ensuring compliance with all legislative and regulatory obligations.

Board Meetings and Procedures

Board Meetings

As provided by the Company's Constitution, the Board may meet together to attend to business and adjourn and otherwise regulate their meetings as they decide.

Notice will be given to every member of the Board of every meeting of the Board. There is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

The Board will meet monthly, and otherwise as it considers necessary as convened by the Chair.

Board Meeting Agenda

The Board meeting agenda will be prepared by the Company Secretary and sent to the Chair for approval. Once approved, the agenda will be distributed to all members of the Board at least one week prior to the relevant meeting.

Board Papers

Along with the meeting agenda, all Board papers will be prepared by the Company Secretary and sent to the Chair for approval before distribution to all members of the Board at least one week prior to the relevant meeting.

Board Calendar

At the start of each year a Board calendar will be prepared by the Company Secretary and circulated to all members of the Board, as well the Company Secretary.

Board Effectiveness

Director Protection

The Company will provide all Directors and officers of the Group with specific Directors' and Officers' Insurance. This policy will be reviewed annually by the Board. The Board will assess its adequacy considering the Group's circumstances.

Director Remuneration

Directors' remuneration will be reviewed periodically by the Remuneration Committee and will be set based on performance considering relevant market factors and the Group's stature and financial position at the time of review.

Director Selection

When considering the appointment of a person as a Director, the Board will undertake appropriate checks before appointing the person or putting the person forward to shareholders as a candidate for election as a Director. These checks will include the candidate's character, experience, skills, education, criminal record and bankruptcy history.

A candidate standing for election as a non-executive director will be asked to provide the Board with details of her or his relevant experience and qualifications to support their election.

The candidate will also be asked to provide details of any commitments that will be in addition to those they will undertake if elected or re-elected as a non-executive Director, including a statement that they will have sufficient time to fulfil their responsibilities as a Director.

Director Induction

The appointment of any new Director will be made by, and in accordance with, a formal letter of appointment which details the key terms and conditions relative to that appointment.

All new Directors appointed undertake an induction program, coordinated by the Company Secretary, to assist them in fulfilling their duties and responsibilities. The induction program will ensure that any new Director is appropriately introduced to the Group, its operations and personnel and is acquainted with the industry within which the Group operates.

Director Development

Directors are responsible for their ongoing professional development and must maintain a professional standing considered appropriate for the execution of their duties as a Director. The Company will from time to time provide exposure to operational activity within the Group's day to day activities to ensure Directors remain in touch with the ongoing operation of the Group's business.

**Approved by the Board,
June 2020**



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