



# Namoi Cotton Board Charter



Approved by NCL Board

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# Namoi Cotton Limited Board Charter

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## 1. Introduction

- 1.1. This Charter sets out the role and responsibilities of the Board of Directors of Namoi Cotton Limited (NCL or Company) and its related corporate and subsidiaries (the Group) and records how the Board will operate.
- 1.2. The Charter is available on NCL's website and the key features are published in the annual report or a link to the governance section of the website is provided.
- 1.3. In this Charter:
  - i. CEO means NCL's Chief Executive Officer.
  - ii. CFO means NCL's Chief Financial Officer.
  - iii. Company Secretary means NCL's Company Secretary.
  - iv. Independent Director has the meaning given to it in the 4<sup>th</sup> edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council.
  - v. Executive Management means collectively the positions reporting directly to the CEO.
  - vi. Senior Independent Director means the Independent Director who has been an elected Independent Director to the NCL Board for the longest period of time.

## 2. Authority

- 2.1. The Board was established in accordance with NCL's constitution (Constitution) and is authorised to fulfil its statutory and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this Charter.
- 2.2. The Board is empowered to investigate any matter, with full access to all books, records, staff, contractors, consultants and any other persons associated with the Group and has the authority to engage independent accounting, legal, compliance or other professional advisers as it determines necessary to carry out its duties.

## 3. Composition

- 3.1. The Board is to comprise of a maximum number of 8 Directors., maintaining at least 2 Directors with cotton growing experience.
- 3.2. A Director must not hold office without re-election for more than three years.
- 3.3. Directors have a maximum term of 12 years of continuous service
- 3.4. Directors must submit themselves to Shareholders for re-election at least every (3) years.
- 3.5. The Directors are recommended to the Board by the People, Culture and Nominations Committee.
- 3.6. If the Chair is not present at the start of the meeting, then the directors will elect one of their number as Chair of the meeting.

## 4. Remuneration – Board and Management

- 4.1. Director remuneration is approved by the Shareholders at a general meeting.

- 4.2. Directors are not entitled to bonus or incentive payments. The aggregate annual remuneration of the Directors is to be divided in the proportion and manner the Directors agree, and in default of agreement, among them equally.
- 4.3. Directors are reimbursed for expenses incurred in the undertaking of their duties, for example travel and accommodation.
- 4.4. The Board is responsible for:
  - a) approving the remuneration policies for NCL;
  - b) establishing remuneration policies for Directors;
  - c) approving the remuneration for the CEO and the Executive Management; and
  - d) approving and establishing performance assessment criteria for the Chief Executive Officer and the Executive Management and regularly reviewing actual performance against such set criteria.

## 5. Minimum Shareholding Qualification

- 5.1. Directors are required to maintain a minimum shareholding in NCL, equivalent to one year of a Director's annual base fee or such other amount as fixed by the Board from time to time (**Minimum Shareholding Threshold**).
- 5.2. Directors must attain the Minimum Shareholding Threshold within three (3) years of their first appointment to the Board.
- 5.3. Once the Director has reached the Minimum Shareholding Threshold, they must maintain it throughout their Board appointment.

## 6. Meetings

- 6.1. The Board Meetings and proceedings are governed by NCL's Constitution.
- 6.2. The Board may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.
- 6.3. Special meetings may be convened as required.
- 6.4. Any meeting's quorum consists of four Directors.
- 6.5. NCL must have at least one Secretary appointed by the Directors.
- 6.6. The CEO and the CFO each have an open invitation to attend all meetings and should attend unless prevented by extenuating circumstances or required by the Chair or this Charter not to attend.
- 6.7. The Board may extend invitations (as it considers appropriate) to any person to attend all or part of any meeting.
- 6.8. The Chair reserves their right to exclude Directors and/or other invited attendees from attending a Meeting, when dealing with matters involving an actual or perceived conflict. The Director and/or invited attendee will be given 3 days' notice of their exclusion so they may put forward any reasons they may have for their non-exclusion to the Chair.
- 6.9. The Board's decisions will be decided by a majority vote and any dissenting members are entitled to have their opinion minuted. The Chair does not have a casting vote.

- 6.10. The Board may pass or approve their resolutions by circular resolution as required. A circular resolution will be deemed to be passed when the last member entitled to vote signs or consents to the resolution. A copy of the circular resolution must be provided at the next meeting.
- 6.11. Meetings may be held by the members communicating with each other through any means by which they can participate in discussion even though they may not be physically present in the same place.

## 7. The Chair

The Chair is responsible for:

- 7.1. Leading the Board;
- 7.2. Facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors and between the Board, the CEO and the Executive Management;
- 7.3. Approving the Board agenda and ensuring that adequate time is available for discussion of all agenda items, including strategic issues.

## 8. The Company Secretary

The Company Secretary will:

- 8.1. In conjunction with the Chair and the CEO, settle agendas for and arrange the meetings ensuring coverage of its business;
- 8.2. Distribute agendas and supporting papers to its members in advance of the meeting (preferably at least five business days);
- 8.3. Attend and take minutes of the meetings; and
- 8.4. The Board's Minutes will be:
  - i. provided to the Chair within five business days of the meeting;
  - ii. circulated for the Board's approval within four weeks; and
  - iii. tabled at the following Board meeting.

## 9. The Directors may seek advice

Directors may seek independent professional advice at NCL's expense anytime they consider it necessary for them to discharge their responsibilities as Directors. This is to be in consultation with the Chair and/or Company Secretary.

## 10. Committees

- 10.1. The Board may create Committees to which it can delegate any of their delegable powers consisting of one or more of their number as they think fit.
- 10.2. The Board must create an Audit, Risk and Compliance Committee.

## 11. Review

- 11.1. The Board will review its Charter biannually. The Charter can only be amended by Board resolution.
- 11.2. The Board will review its performance and the performance of its individual Directors annually including their currency of knowledge and skills or if a Director's performance has been impacted by other commitments.
- 11.3. The Board is responsible for reviewing the performance of the Committees annually and the Committees will provide any information the Board may request to facilitate its review of the Committee's performance and its members. The performance evaluation will have regard to the extent to which the Committee has met its responsibilities in terms of this Charter.
- 11.4. The Board will periodically use external facilitators to conduct its performance reviews.
- 11.5. The Chair of PCNC or other Independent Director as decided by the Board should be responsible for the performance evaluation of the Chair, after having canvassed the views of the other Directors.

## 12. Role of the Board

The Board is responsible for:

- i. Demonstrating leadership;
- ii. Defining NCL's purpose and setting its strategic objectives;
- iii. Approving NCL's statement of values and code of conduct to underpin NCL's desired culture;
- iv. Appointing and removing the Chief Executive Officer and approving the remuneration of and overseeing the performance review of the Chief Executive Officer;
- v. Appointing and removing the Company Secretary and approving the remuneration of and overseeing the performance review of the Company Secretary;
- vi. Overseeing management in its implementation of NCL's strategic objectives, instilling of NCL's values and performance generally;
- vii. Approving budgets and major capital expenditure;
- viii. Overseeing NCL's process for making timely and balanced disclosure in accordance with the ASX's Corporate Governance Principles and Recommendations, 4th Edition, February 2019;
- ix. Satisfying itself that an appropriate framework (for both financial and non-financial risks) exists including but not limited to the DoA and risk register;
- x. Setting the risk appetite within which the Board expects management to operate;
- xi. Satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- xii. Whenever required, challenging management and holding it to account on NCL's values including its code of conduct and strategic objectives;

- xiii. Satisfying itself that NCL's remuneration policies are aligned with the entity's purpose, values, strategic objectives and risk appetite;
- xiv. Monitoring the effectiveness of the NCL's governance practices;
- xv. Obtain regular updates from management on risk matters that may have a material impact on trading activities;
- xvi. Oversee the environmental, social and governance (ESG) activities of the Group;
- xvii. Oversee the development and implementation of sustainability and ESG reporting framework(s); and
- xviii. Review any publicly disclosed sourcing, emissions and/or other targets and initiatives relating to ESG and sustainability, including climate change goals or targets (Sustainability Targets).

## 13. Role of the CEO and Executive Management

13.1. The CEO and their appointed Executive Management team are responsible for:

- i. Implementing NCL's strategic objectives;
- ii. Instilling and reinforcing NCL's values; and
- iii. Operating within NCL's values, code of conduct, budget and risk appetite statement.

13.2 The CEO and their Executive Management Team will provide the Board with accurate, timely and clear information on NCL's operations to enable the Board to perform its responsibilities including but not limited to:

- i. Financial performance;
- ii. Compliance with material legal and regulatory requirements; and
- iii. Any conduct that is materially inconsistent with NCL's values or code of conduct.