



**BOARD CHARTER**  
**SERVCORP LIMITED**  
**ACN 089 222 506**

December 2014



# SERVCORP LIMITED

## BOARD CHARTER

### 1 Purpose of the Charter

- 1.1 The purpose of this Charter is to set out the role, composition and responsibilities of the Board of Servcorp Limited ("SRV") within the governance structure of SRV and its wholly owned entities.
- 1.2 The conduct of the Board is also governed by the Constitution of SRV.

### 2 Membership of the Board

- 2.1 The SRV Constitution provides for a minimum of three Directors and a maximum of twelve Directors.
- 2.2 The Board has established the following requirements:
  - (a) a majority of the membership of the Board must be independent non-executive Directors;
  - (b) the Chairperson must be an independent non-executive Director;
  - (c) the roles of Chairperson and Chief Executive Officer/ Managing Director must not be exercised by the same person.

An independent Director is a non-executive Director who is not a member of management and who is free from any interest and any business or other relationship which could materially interfere with the independent exercise of their judgement and the ability to act in the best interests of the Company.
- 2.3 A director's independence will be assessed at regular intervals, taking into consideration individual director interests notified at each Board meeting, together with an annual assessment based on criteria consistent with the ASX Corporate Governance Council Principles and Recommendations.
- 2.4 The Board determines the composition of the Board; a Nomination Committee has not been established as efficiencies would not be forthcoming from a separate committee structure. The selection process will aim to achieve and maintain an appropriate mix of skills, expertise, experience and diversity. Candidates are selected based on their level of skill, knowledge and experience that will enable the Board to discharge its responsibilities effectively. The Board shall undertake appropriate checks before appointing a person as a director of SRV.
- 2.5 SRV will provide appropriate professional development opportunities to develop and maintain the skills and knowledge needed for directors to perform their role effectively. Newly appointed directors must undertake an induction program.
- 2.6 Membership of the Board shall be disclosed in the annual report including whether a Director is independent or not independent.
- 2.7 The quorum for a meeting of Directors must always be a number which represents a majority of directors. A non-executive director must be present for the quorum to be achieved at any meeting.
- 2.8 The SRV Constitution provides that:
  - (a) a Director, other than the Managing Director, must retire from office at the next annual general meeting following his or her appointment. The Director is eligible for re-election.
  - (b) a Director must retire from office at the annual general meeting if he or she has been in office for 3 or more years since they were last elected. The Director is eligible for re-election.

### **3 Responsibilities of the Board**

- 3.1 The Board has responsibility for the long-term health and prosperity of Servcorp. The Directors are responsible to the shareholders for the performance of the Company and to ensure that it is properly managed.
- 3.2 The Board has adopted a formal statement of matters reserved for the Board. The central role of the Board is to set the Company's strategic direction and to oversee the Company's management and business activities.
- 3.3 The Board's primary responsibilities are:
- (a) The protection and enhancement of long-term shareholder value;
  - (b) Ensuring SRV has appropriate corporate governance structures in place;
  - (c) Endorsing strategic direction;
  - (d) Monitoring the Company's performance within that strategic direction;
  - (e) Appointing and evaluating the performance and remuneration of the Chief Executive Officer;
  - (f) Monitoring business performance and results;
  - (g) Identifying areas of significant risk and seeking to put in place appropriate and adequate control, monitoring and reporting mechanisms to manage those risks;
  - (h) Establishing appropriate standards of ethical behaviour and a culture of corporate and social responsibility;
  - (i) Approving senior executive remuneration policies;
  - (j) Ratifying the appointment of the Chief Financial Officer and the Company Secretary;
  - (k) Monitoring compliance with continuous disclosure policy in accordance with the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange (ASX);
  - (l) Monitoring that the Company acts lawfully and responsibly;
  - (m) Reporting to shareholders;
  - (n) Addressing all matters in relation to issued securities of SRV including the declaration of dividends;
  - (o) Ensuring that the Board is, and remains, appropriately skilled to meet the changing needs of the Company.

The Chairperson is responsible for leading the Board in these duties.

### **4 Chairperson**

- 4.1 The Chairperson must be an independent non-executive Director.
- 4.2 The Chairperson is responsible for:
- (a) leading the Board in its duties to SRV;
  - (b) oversight of the processes and procedures in place to evaluate the performance of the Board, its committees and individual Directors;
  - (c) facilitating effective discussions at Board meetings;
  - (d) ensuring effective communication with shareholders.

## **5 Separation of functions between the Chairperson and CEO**

- 5.1 The roles of the Chairperson and Managing Director/ Chief Executive Officer are strictly separated.
- 5.2 The Board has appointed a Managing Director/ CEO who has responsibility for the overall operational and business management and profit performance of SRV whilst also managing SRV in accordance with the strategy, plans and policies approved by the Board to achieve agreed goals.
- 5.3 The Managing Director/ CEO is responsible for:
- (a) policy direction of the operations of SRV;
  - (b) the efficient and effective operation of SRV;
  - (c) ensuring Directors are provided with accurate and clear information in a timely manner to promote effective decision-making by the Board;
  - (d) ensuring all material matters affecting SRV are brought to the Board's attention.

## **6 Committees**

- 6.1 The Board has established committees to assist in the implementation of its corporate governance practices. The Board does not delegate major decisions to committees. Committees are responsible for considering detailed issues and making recommendations to the Board.
- 6.2 The committees that have been established by the Board are:
- (a) Audit and Risk Committee;
  - (b) Remuneration Committee.
- 6.3 Each committee operates in accordance with a written charter or terms of reference.

## **7 Reporting**

- 7.1 Proceedings of all meetings are minuted and signed by the Chairperson or the chair of the meeting.
- 7.2 Minutes of all Board and Committee meetings are circulated to Directors and approved by the Board at the subsequent meeting.

## **8 Review of the Charter**

- 8.1 The Board will review this Charter annually to keep it up to date and consistent with the Board's objectives and responsibilities.

## **9 Publication of the Charter**

- 9.1 Key features of this Charter are to be outlined in the annual report to shareholders.
- 9.2 A copy of this Charter is available on the Servcorp website [www.servcorp.com.au](http://www.servcorp.com.au).

## Current Board Membership

Non-executive Chairperson	Mr Bruce Corlett
Non-executive Directors	Mr Roderic Holliday-Smith
	The Hon. Mark Vaile
	Mr Taine Moufarrige
Managing Director	Mr Alfred Moufarrige

Approved by the Servcorp Limited Board on 8 December 2014

Last reviewed on 7 December 2015