



BOARD CHARTER
SERVCORP LIMITED
ACN 089 222 506

December 2020



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 SRV aims to have a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.
- 2.2 The SRV Constitution provides for a minimum of three Directors and a maximum of twelve Directors.
- 2.3 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 of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of SRV as a whole rather than in the interests of an individual security holder or other party.

- 2.4 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.
- 2.5 The Board has established a Nomination Committee to support and advise the Board, including undertaking appropriate checks, in fulfilling its responsibility to shareholders in ensuring the Board is comprised of individuals who are best able to discharge its responsibilities effectively.
- 2.6 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.
- 2.7 Membership of the Board shall be disclosed in the annual report including whether a Director is independent.
- 2.8 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.
- 2.9 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 SRV. The Directors are responsible to the shareholders for the performance of SRV and to ensure that it is properly managed.
- 3.2 The central role of the Board is to set SRV's strategic direction and to oversee SRV's management and business activities.
- 3.3 The matters reserved to the Board are:
- (a) Demonstrating leadership;
 - (b) The protection and enhancement of long-term shareholder value;
 - (c) Ensuring SRV has appropriate and effective corporate governance practices in place;
 - (d) Defining SRV's purpose and setting strategic direction;
 - (e) Approving SRV's statement of values and code of conduct to underpin the desired culture within SRV;
 - (f) Monitoring SRV's performance and overseeing management in its implementation of the strategic direction and instilling of SRV's values;
 - (g) Appointing and evaluating the performance and remuneration of the Chief Executive Officer;
 - (h) Overseeing the integrity of the entity's accounting and corporate reporting systems, including the external audit;
 - (i) Monitoring business performance and results, including whenever required, challenging management and holding them to account;
 - (j) Identifying areas of significant risk and setting the risk appetite within which the Board expects management to operate, and satisfying itself that SRV has in place an appropriate risk management framework (for both financial and non-financial risks), including monitoring and reporting mechanisms to manage those risks;
 - (k) Approving senior executive remuneration policies, and satisfying itself those remuneration policies align with the entity's purpose, values, strategic objectives and risk appetite;
 - (l) Ratifying the appointment of the Chief Operating Officer, Chief Financial Officer and the Company Secretary, and ensuring appropriate pre-appointment checks have been undertaken;
 - (m) Monitoring the process for compliance with continuous disclosure policy in accordance with the Corporations Act 2001 and the Listing Rules of the Australian Securities Exchange (ASX);
 - (n) Monitoring that SRV acts lawfully and responsibly;
 - (o) Reporting to shareholders;
 - (p) Addressing all matters in relation to issued securities of SRV including the declaration of dividends;
 - (q) Ensuring that the Board is, and remains, appropriately skilled to meet the changing needs of SRV.

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;
 - (c) Nomination 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.

Current Board Membership

Non-executive Chairperson	The Hon. Mark Vaile
Non-executive Directors	Mrs Wallis Graham
	Mr Tony McGrath
Managing Director	Mr Alfred Moufarrige

Approved by the Servcorp Limited Board on 2 December 2020

Last amended on 2 December 2020

Last reviewed on 2 December 2020