



PS&C Limited ACN 164 718 361 (Company)

Corporate Governance Charter

Last reviewed and adopted by the Board on 28th August 2019



PS+C

Corporate Governance Charter

1. Objectives

- 1.1 The Board has adopted this Charter to establish an overall framework for the corporate governance and control of the Company. All Directors, individually and as a Board, are committed to acting in accordance with this Charter.

2. Role of the Board

- 2.1 The Board's role is to provide strategic guidance and effective oversight of management.
- 2.2 It is ultimately accountable to shareholders for the management and direction of management and of the business of the Company and therefore, has ultimate authority over management.
- 2.3 In carrying out its role and exercising its powers, the Board must:
 - 2.3.1 Act in accordance with the letter and spirit of the law and the Company's Constitution;
 - 2.3.2 Act honestly, fairly and with integrity in accordance with the Company's policies, codes of conduct and ethical and other standards and in a manner which will create and develop sustainable value for shareholders; and
 - 2.3.3 Have regard to the interests of the Company's stakeholders, its employees, suppliers, customers or other stakeholders in the Company and the general community.

3. Responsibilities of the Board and Management

- 3.1 In performing its role, the Board is responsible for:
 - 3.1.1 The oversight of the Company, its business, activities, corporate governance and internal controls;
 - 3.1.2 The commercial, strategic and financial objectives of the Company;
 - 3.1.3 Monitoring the implementation and execution of set commercial, strategic and financial objectives;
 - 3.1.4 Composition of the Board, including appointment and retirement or removal of Directors;
 - 3.1.5 Reviewing and overseeing the operation of systems of risk management



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and internal compliance and control, codes of ethics and conduct and legal and regulatory compliance;

- 3.1.6 Monitoring senior management's performance, implementation of strategy and ensuring appropriate resources are available;
- 3.1.7 Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- 3.1.8 Performance of investment and treasury functions;
- 3.1.9 Monitor industry developments relevant to the Company and its business;
- 3.1.10 Developing suitable key indicators of financial performance for the Company and its business;
- 3.1.11 Input into, and final approval of, management's development of corporate strategy and performance objectives;
- 3.1.12 Establishment and oversight of Committees to consider such matters as the Board may consider appropriate, for example, audit matters, finance and business risks, remuneration and nominations and to establish a framework for the effective and efficient management of the Company; and
- 3.1.13 All matters reserved to it by law.

4. Composition of the Board

- 4.1 The Board is to comply as far as practicable with the following requirements regarding its composition:
 - 4.1.1 The Board must comprise members with a range of experience, expertise, skills and contacts relevant to the Company and its business.
 - 4.1.2 There must be at least 3 Directors (the Constitution of the Company requires a minimum of 3 and a maximum of 7), of which the majority are independent.
 - 4.1.3 The number of Directors may be increased where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified.

Meaning of "independence"



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- 4.2 Independence means a Director is independent of management and free of outside influences which could materially interfere with the independent and objective judgement of the Director.
- 4.3 4.3. Generally, an independent Director will:
- (a) Be a non-executive Director;
 - (b) Not be a substantial shareholder of the Company or an officer of or otherwise associated, directly or indirectly, with a substantial shareholder of the Company;
 - (c) Not have, within the last 3 years, been employed in an executive capacity by the Company or another group company, or have been a Director after ceasing to hold any such employment;
 - (d) Not be a principal of a professional advisor to the Company or another group company or an employee materially associated with the service provided, except where the advisor might be considered to be independent notwithstanding their position as a professional advisor due to the fact that the fees payable by the Company to the advisor's firm represent an immaterial component (less than 5%) of its overall revenue;
 - (e) Not be a significant supplier or customer of the Company or another group company or an officer of or otherwise associated, directly or indirectly, with a material supplier or customer;
 - (f) Not have a significant contractual relationship with the Company or another group company other than as a Director;
 - (g) Be free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company;
- 4.4 The Board will regularly assess the independence of each Director in the light of the interests disclosed by them, and each Director will provide the Board with all relevant information for this purpose. The independence of Directors will be disclosed in the annual report. Where the independence of a Director is lost, this will be immediately disclosed to the market.

Independence is distinct from conflicts of interest



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- 4.5 The Board considers that the concepts of “independence” and “conflicts” should be distinguished for the purposes of assessing the independence of a director.
- 4.6 Each member of the Board is required to disclose any material contract or other relationship or personal interest in any matter that has a bearing to any degree on the business affairs or operations of the Company in accordance with the Corporations Act. In respect of any matters disclosed by a Director which is an item of business for consideration by the Board, that Director must not be present while the matter is being considered or vote on that matter.

Chairman of the Board

- 4.7 The Chairman of the Board will be appointed by the Directors and is responsible for:
- 4.7.1 Providing leadership to the Board; and
 - 4.7.2 Planning and conducting Board meetings ensuring that the Board has full information on which to base its decisions on the business of the meeting;
 - 4.7.3 Managing the periodic reviews of the performance of the Board;
 - 4.7.4 Briefing all directors in relation to issues at Board meetings; and
 - 4.7.5 Facilitating the effective contribution of all directors and promote constructive and respectful relations between Board members and management.

The Chairman should be independent and should not be the same person as the CEO.

Changes to Board composition

- 4.8 When a vacancy exists, however caused, or where the Board considers that it would benefit from the services of a new member with particular skills, the Board will consider a panel of candidates having regard to:
- 4.8.1 What may be appropriate for the Company and any group company;
 - 4.8.2 The skills, expertise and experience of the candidates;
 - 4.8.3 The combination of those skills, expertise and experience with those of the existing Directors; and
 - 4.8.4 The perceived compatibility of the candidates with the Company and



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with the existing Directors.

- 4.9 Potential candidates to be appointed as Directors are considered by the Board with advice from an external consultant (if deemed necessary) considered by the Board to be appropriate. The Board will then appoint the most suitable candidate who (assuming they consent to act as Director) continue in office only until the next AGM and are then eligible for election but are not taken into account in determining the number of Directors to retire by rotation at the AGM.
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- 4.11 The terms and conditions of the appointment of all new members of the Board must be specified in a letter of appointment. The letter of appointment may refer to the Constitution and to this document.
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- 4.13 Under the Constitution at least one third of all Directors, being the longest serving Directors, must retire at each AGM. Directors, excluding the CEO (if a Director), must also retire if a third AGM falls during the period in which they have held office. Retiring Directors are eligible to be re-elected.

5. Board Meetings

- 5.1 The Board will meet as often as they consider necessary in order to carry out their duties and responsibilities and as required by the business of the Company. Under normal circumstances, the Board should meet once every month.
- 5.2 Non-executive Directors will hold a private meeting at least twice in every financial year to discuss the management of the Company.
- 5.3 Papers for Board and Committee meetings should be circulated, if practical, at least 3 days before the relevant meeting.
- 5.4 Draft minutes of Board and Committee meetings (for consideration and approval at the next relevant meeting) should be circulated within 10 days following each meeting.



6. Company Secretary

6.1 The Company Secretary is accountable to the Board, through the Chairman, for:

- 6.1.1 The Company's compliance in respect of all corporate governance matters, including the implementation of this Charter;
- 6.1.2 Coordinating the completion and despatch of Board and Committee agenda and briefing materials as well as draft minutes of meetings of the Board and all Committees for approval at the next meeting.
- 6.1.3 The Company's compliance with all disclosure obligations and regularly reviewing Company policies and procedures relating to compliance with such disclosure obligations.
- 6.1.4 Helping to organize and facilitate the induction and professional development of directors.

Each director is able to communicate directly with the Company Secretary and vice versa.

The decision to appoint or remove the Company Secretary should be made or approved by the Board.

7. Review of performance of the Board

7.1 The Board will review its processes and its performance annually to satisfy itself that it is performing to maximum efficiency and that there has been no exposure of Board members to any legal liability (such as negligence).

8. Training and access to independent advice

Training

8.1 Directors should be provided with:

- 8.1.1 Proper information in relation to the Company and any group company before accepting appointment, and a proper induction course on accepting appointment.
- 8.1.2 Access to continuing education in relation to the Company extending to its business, the industry in which it operates, and generally information required by them to discharge the responsibilities of their office.

Independent Advice



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- 8.2 Each director is entitled to obtain professional advice independent of management or the advisers of the Company at the Company's cost conditional upon the Chairman's prior approval.

9. Board Committees

Establishment

- 9.1 The Board may establish committees from time to time as it determines to assist it in carrying out its responsibilities under a separate charter setting out its role, responsibilities, authority, powers and composition.

Administration

- 9.2 Unless otherwise resolved by the Board, each committee will operate under the following rules:

- 9.2.1 The Company Secretary will be the secretary of the committee, unless otherwise determined by the committee and keep a record of the proceedings and resolutions of committee meetings;
- 9.2.2 The quorum required for the transaction of business will be 2 members;
- 9.2.3 The committee will meet at least twice per year and at such other times as requested by any member of the committee;
- 9.2.4 Not less than 3 business days' notice of the meeting must be given to committee members setting out the agenda for the meeting and such relevant information necessary for a considered discussion of the matters to be considered;
- 9.2.5 Minutes must be given to all members of the committee for approval and the approved minutes circulate to the Board as part of the Board papers of the next Board meeting.

10. Ethical and responsible decision making

- 10.1 All Directors and all officers of the Company must act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company and any group company and, where possible, to act in accordance with the interests of shareholders, staff, clients and all other stakeholders in the Company.



11. Dealings in securities

- 11.1 The Board must adopt a policy with respect to dealings in securities by Directors, executives and all employees and comply with that policy.

12. Business risks

- 12.1 The Board has ultimate responsibility for the maintenance of the strategy of the Company which includes the identification of significant business risks.
- 12.2 The Board must consider any issues raised in a report by the Audit & Risk Management Committee as specific agenda items and direct management to undertake any action necessary to mitigate risk as soon as practicable. Any action proposed to be taken by, or policy proposed to be adopted by, management to mitigate an identified risk must be notified to and approved by the Audit & Risk Management Committee.
- 12.3 Following the tabling of half-yearly financial reports to the Board, each of the Chief Executive Officer and the Chief Financial Officer of the Company must each provide a statement to the Board to the effect that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

13. Shareholders

- 13.1 The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs.
- 13.2 Information is communicated to shareholders as follows:
- 13.2.1 Continuous disclosure obligations are reviewed as a standing item on the agenda for each regular meeting of the Board and all Directors are required to confirm details of any matter within their knowledge that might require disclosure to the market;
- 13.2.2 Any resolutions regarding major changes in the Company, including those impacting upon share ownership rights and the removal and appointment of Directors are submitted to a vote of shareholders at the AGM or an earlier general meeting, if required. Meetings are called with at least 28 days' notice in accordance with the Constitution. The Board encourages full participation of shareholders at the AGM and at other general meetings to ensure a high level of accountability and identification with the Company's strategy and goals.



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- 13.2.3 All material information in the Company's possession is provided to shareholders in relation to a decision on whether or not to elect or re-elect a director.
- 13.2.4 The external auditors will be requested to attend the AGM and be available to answer questions by shareholders on the conduct of the audit and the preparation and content of the audit report.
- 13.2.5 The half-yearly report contains summarised financial information and a review of the operations of the Company during the period. The report is lodged with and available from the ASX. It is also sent to any Shareholder who requests it from the Company.
- 13.2.6 Company announcements are made in a manner which is factual, timely, clear and objective in order that no information material to decisions of shareholders and potential investors in the Company is omitted.
- 13.2.7 Information concerning the Company, including copies of announcements made through the ASX and the annual report and half-yearly report, is made available to shareholders and prospective investors in the Company on the Company's website. The Company has a continuing commitment to electronic communication with shareholders and stakeholders.

Interests of stakeholders

- 13.3 Directors must recognise that their primary responsibility is to the shareholders as a whole but that they should, where appropriate, have regard for the interests of all stakeholders of the Company. The Board is accountable not only to shareholders, but to other third parties, including creditors, regulators and the community.
- 13.4 The Company recognises that it must function within, and operate with a sense of responsibility to, the broader community as well as to shareholders, employees and other direct stakeholders in the Company. As a matter of ethics, good business sense and commercial practice, the Company seeks to contribute positively to the general community and to obtain feedback on its activities in this regard.



About PS+C Limited

We design and develop solutions that connect our clients with their customers, strengthen the security of their operations, streamline their processes and sharpen their competitive advantage.

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