



MaxiTRANS INDUSTRIES LIMITED BOARD CHARTER

1. INTRODUCTION

- 1.1 MaxiTRANS Industries Limited (**the Company**) is a public company listed on the Australian Stock Exchange Limited.
- 1.2 The Board of Directors (**Board**) of the Company is responsible for the Company's corporate governance.
- 1.3 The purpose of the Board Charter (**Charter**) is to promote high standards of corporate governance, clarify the role and responsibilities of the Board, and enable the Board to provide strategic guidance for the Company and effective management oversight.
- 1.4 The Charter forms part of the Company's Corporate Governance Protocol (**Code**).

2. BOARD SIZE, COMPOSITION AND INDEPENDENCE

- 2.1 The Constitution of the Company provides that there will be a minimum of three Directors and a maximum of twelve Directors.
- 2.2 The Board will comprise Directors:
 - (a) who are proficient in all of the Company's business portfolios;
 - (b) with an appropriate range of skills, experience and expertise to complement the Company's business;
 - (c) who have a proper understanding of and are competent to deal with current and emerging issues relevant to the transport industry; and
 - (d) who can effectively review and challenge the performance of management and exercise independent judgement.
- 2.3 The independence of a director will be assessed in accordance with the definition set out in Principle 2 of the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations". Where the definition refers to "materiality" in relation to dealings or associations with the Company, the threshold at which an association becomes material will be represented as an amount of 5% or more - calculated by reference to the value of the services provided to the Company as a proportion of the total revenues of the service provider, customer or supplier.
- 2.4 Directors are appointed under formal letters of appointment setting out the key terms and conditions of the appointment to ensure that Directors clearly understand the Company's expectations.

3. ROLE OF THE BOARD

- 3.1 The Board acts on behalf of shareholders and is accountable to shareholders for the overall direction, management and corporate governance of the Company.
- 3.2 The Board is responsible for:
- (a) overseeing the Company, including its control and accountability systems;
 - (b) appointing and removing the Managing Director;
 - (c) monitoring the performance of the Managing Director;
 - (d) ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer and Company Secretary;
 - (e) ratifying other senior executive appointments, organisational changes and senior management remuneration policies and practices;
 - (f) approving succession plans for the management team;
 - (g) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
 - (h) providing strategic advice to management;
 - (i) reporting to shareholders and ensuring that all regulatory requirements are met;
 - (j) input into and final approval of management's development of corporate strategy and performance objectives;
 - (k) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance to ensure appropriate compliance frameworks and controls are in place;
 - (l) monitoring compliance with regulatory requirements and the Company's own ethical standards and policies;
 - (m) determining dividend payment and financing dividend payment;
 - (n) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;
 - (o) approving and monitoring financial and other reporting; and
 - (p) monitoring and ensuring compliance with best practice corporate governance requirements.

4. BOARD COMMITTEES

- 4.1 The Board may discharge its responsibilities through Committees of the Board in accordance with the *Corporations Act 2001* and the Company's Constitution.
- 4.2 The Board has established the Audit and Risk Management, Corporate Governance, Nomination and Remuneration Committees to assist it in carrying out its duties and responsibilities, to share detailed work and to consider certain issues and functions in detail.

5. THE BOARD AND MANAGEMENT

- 5.1 Responsibility for the day to day management and administration of the Company is delegated by the Board to the Managing Director and the executive management team (**Management**).
- 5.2 Management manages the Company in accordance with the strategy, plans and policies approved by the Board.
- 5.3 The Board has in place procedures to assess Management's performance.

6. ROLE OF THE CHAIRPERSON

- 6.1 The Chairperson of the Board is appointed by the Directors.
- 6.2 The role and responsibilities of the Chairperson include:
 - (a) providing leadership to the Board and the Company;
 - (b) ensuring the efficient organisation and conduct of the Board's functions;
 - (c) monitoring Board performance;
 - (d) facilitating Board discussions to ensure core issues facing the Company are addressed;
 - (e) briefing all Directors in relation to issues arising at Board meetings;
 - (f) facilitating the effective contribution and ongoing development of all the Directors;
 - (g) promoting constructive and respectful relations between Board members and between the Board and Management; and
 - (h) chairing shareholders' meetings.

7. ROLE OF INDIVIDUAL DIRECTORS

- 7.1 Directors are expected to attend and participate in Board meeting and meetings of Committees on which they serve.
- 7.2 Directors are expected to spend the time needed, and meet as frequently as necessary, to properly discharge their responsibilities.
- 7.3 Directors are expected to review meeting materials prior to Board and Committee meetings.
- 7.4 Directors are encouraged to ask questions, request information, raise any issue which is of concern to them and fully canvass all aspects of any issue confronting the Company with Management. Directors are encouraged, where possible, to communicate in advance of a meeting any questions or concerns so that Management will be prepared to address them.
- 7.5 Directors are expected to cast their vote on any resolution in accordance with their own judgement.
- 7.6 Publicly, Directors are expected to support the letter and spirit of Board decisions.
- 7.7 Directors will keep confidential Board information, discussions, deliberations, and decisions which are not publicly known.

7.8 Directors are expected to comply with their legal, statutory and equitable duties when discharging their responsibilities as Directors. Broadly, these are duties to:

- (a) act in good faith and in the best interests of the Company as a whole;
- (b) act with care and diligence;
- (c) act for proper purposes;
- (d) avoid a conflict of interest or duty; and
- (e) refrain from making improper use of information gained through the position of Director and taking improper advantage of the position of Director.

8. CONFLICTS OF INTEREST

8.1 Directors are expected to be sensitive to conflicts of interest that may arise and mindful of their fiduciary obligations to the Company.

8.2 Directors must:

- (a) disclose to the Board any actual or potential conflicts of interest which may exist or might reasonably be thought to exist as soon as the situation arises;
- (b) take steps as are necessary and reasonable to resolve any conflict of interest; and
- (c) comply with the *Corporations Act 2001* provisions on disclosing interests and restrictions on voting.

8.3 If a conflict situation exists, it is expected that where a matter is being discussed by the Board to which the conflict relates, the Director will be absent from the room.

8.4 Directors are expected to inform the Chairperson of any proposed board or executive appointments to other companies as soon as practicable.

9. ACCESS TO INFORMATION AND INDEPENDENT ADVICE

9.1 All Directors are to exercise independent judgement in decision making.

9.2 Directors may access information and seek independent advice that they consider necessary to fulfil their responsibilities and to exercise independent judgement in decision making.

9.3 Directors will be entitled to:

- (a) access members of Management at any time to request relevant and additional information and seek explanations;
- (b) have access to auditors, both internal and external, without Management present to request additional information and seek explanations; and
- (c) seek independent professional advice which, with the Chairperson's consent (not to be unreasonably withheld or delayed), will be at the Company's expense.