

## Board Charter

### 1. Purpose of this charter

The purpose of this charter is to specify how 1st Group Limited ACN 138 897 533 (**Company**) and its controlled entities (collectively **1st Group**) are governed so as to promote 1st Group and protect the interests of shareholders.

The Board is responsible for the governance of 1st Group. This charter sets out:

- (a) the role and responsibilities of the Board, committees and management;
- (b) the membership and the operation of the Board;
- (c) which responsibilities may be delegated to committees of the Board or to management;
- (d) a structure for determining how Board decisions are to be made; and
- (e) details regarding the Board's interaction with 1st Group.

This charter is supported by the 1st Group's Remuneration and Nomination Committee Charter, Audit and Risk Committee Charter, Securities Trading Policy, Code of Conduct, Disclosure and Communications Policy, Diversity Policy and Whistleblower Policy.

### 2. Values

The values of 1st Group are customer focus, accountability, respect and integrity. The Board carries out the legal duties of its role in accordance with those values and having appropriate regard to the interests of 1st Group's customers, staff, shareholders and the broader community in which 1st Group operates.

### 3. Role and responsibilities of the Board

#### 3.1 Role

The role of the Board is to provide overall strategic guidance for 1st Group and effective oversight of management. The Board ensures that the activities of 1st Group comply with its constitution, from which the Board derives its authority to act, and with contractual, statutory and other legal obligations, including the requirements of all applicable regulatory bodies.

In carrying out its governance role, a key task of the Board is to drive the performance of 1st Group. The Board has overall responsibility for the successful operations of 1st Group.

To assist in achieving this role, the Board has reserved to itself the specific responsibilities outlined below.

#### 3.2 Responsibilities

The Board is responsible for:

- (a) providing leadership and setting and reviewing 1st Group's objectives, goals and strategic direction, and assessing performance against these benchmarks;
- (b) oversight of 1st Group's operations with a view to ensuring that:
  - (i) 1st Group is financially sound, meets prudential requirements and has appropriate financial reporting practices;
  - (ii) 1st Group meets regulatory and disclosure requirements;

- (iii) a process is in place for the maintenance of the integrity of internal controls, risk management, delegations of authority and financial and management information systems;
- (iv) 1st Group maintains appropriate business standards, ethical conduct and fostering of a culture of compliance and accountability;
- (c) appointing the chairman and, if 1st Group has one, the deputy chairman;
- (d) appointing the Managing Director & Chief Executive Officer (**MD/CEO**);
- (e) approving the appointment of the Chief Financial Officer and the company secretary;
- (f) if necessary, approving the replacement of, and replacing, the MD/CEO, the Chief Financial Officer or the company secretary;
- (g) monitoring senior executives' performance and 1st Group's remuneration framework;
- (h) monitoring the executive succession plan and ensuring a process of evaluating and rewarding key executives;
- (i) requiring that management supplies the Board with accurate, timely and clear information to enable the Board to perform its responsibilities;
- (j) establishing and maintaining a diversity policy outlining 1st Group's commitment to diversity in the workplace;
- (k) monitoring 1st Group's workplace health and safety performance;
- (l) providing input into and final approval of management's development of corporate strategy and performance objectives;
- (m) approving and monitoring the budget and progress of major capital expenditure, capital management and acquisitions and divestitures in excess of retain levels delegated to management from time to time;
- (n) approving dividends;
- (o) ensuring that 1st Group's financial results are appropriately and accurately reported on a timely basis;
- (p) monitoring significant litigation involving 1st Group;
- (q) approval of all material new business activities, loans to external parties and other material commitments;
- (r) approving charters of board committees;
- (s) monitoring and ensuring compliance with best practice corporate governance requirements; and
- (t) seeking to promote effective engagement with shareholders and providing them with appropriate information and facilities to allow them to exercise their rights as shareholders effectively.

## **4. Role and responsibilities of Chairman and company secretary**

### **4.1 Chairman**

The Chairman is an independent and non-executive director appointed by the Board. The Chairman cannot be the same person as the MD/CEO or have been the MD/CEO (or equivalent) of 1st Group at any time during the previous three years.

The Chairman is responsible for ensuring that the Board functions effectively, and for communicating the views of the Board to the public. In performing this role, the Chairman's responsibilities include:

- (a) setting the agenda of matters to be considered by the Board and seeking to ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (b) leading the Board in reviewing and discussing Board matters;
- (c) chairing Board meetings and shareholder meetings;
- (d) managing the conduct, frequency and length of the Board meetings so as to ensure that the Board maintains an in depth understanding of 1st Group's financial position and performance and the opportunities and challenges facing 1st Group;
- (e) briefing all directors in relation to issues arising at Board meetings;
- (f) facilitating open and constructive communications between Board members and encouraging their contribution to Board deliberations;
- (g) overseeing board composition to ensure that membership of the Board is skilled and appropriate for 1st Group's needs;
- (h) facilitating open and constructive discussions between management and the Board; and
- (i) reviewing corporate governance matters with the company secretary and reporting on those matters to the Board.

The Chairman will be appointed by the Board.

### **4.2 Company secretary**

The company secretary acts as secretary of the Board, attending all meetings of the Board as required. The company secretary is accountable directly to the Board through the Chairman on all matters relating to the proper functioning of the board.

The company secretary is responsible for:

- (a) organising Board and committee meetings, director attendance and draft notices of meetings and resolutions for approval;
- (b) monitoring and evaluating compliance with Board policy and procedures and ensuring these are regularly reviewed, as well as advising the Board and its committees on governance matters;
- (c) coordinating the completion and despatch of the Board agenda and briefing materials;
- (d) preparing minutes of meetings and resolutions of the Board and taking these to the Chairman for approval and circulation;
- (e) circulating minutes from committee meetings to the Board;

- (f) helping to organise and facility the induction and professional development of directors; and
- (g) ensuring 1st Group complies with its requirements under the *Corporations Act 2001* (Cth) (**Corporations Act**) regarding registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission.

## 5. Delegations of authority

### 5.1 Delegation to committees

Under 1st Group's constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.

The Board must ensure there are procedures in place to enable it to monitor the exercise of delegations and must not abrogate its responsibilities through the use of delegations.

Standing committees established by the Board will adopt charters setting out the role, authority, responsibilities, membership and operation of the committee. There are currently two standing committees:

- (a) Audit and Risk Committee; and
- (b) Remuneration and Nomination Committee.

1st Group may establish other committees from time to time to consider other matters of special importance. Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chair of each committee will report back on committee meetings to the Board at the next full Board meeting.

### 5.2 Delegation to MD/CEO and management

The Board has delegated to the MD/CEO the authority to manage the day to day affairs of 1st Group and the authority to control the affairs of 1st Group in relation to all matters other than those responsibilities reserved to itself in this charter under this charter or other corporate governance documents of 1st Group.

The MD/CEO manages 1st Group in accordance with the strategy, plans and policies approved by the Board.

The responsibilities of the MD/CEO include:

- (a) developing and recommending to the board strategies, business plans and annual budgets for 1st Group;
- (b) implementing the strategies, business plans and budgets adopted by the Board;
- (c) providing effective leadership, direction and supervision of the executive team to achieve the strategies, business plans and budgets adopted by the Board;
- (d) developing and managing resources, policies and systems to ensure the effective operation of 1st Group (including policies on risk management, internal controls and human resources);
- (e) managing resources within budgets approved by the Board;
- (f) ensuring compliance with applicable laws and regulations;

- (g) ensuring the Board is given sufficient information to enable it to perform its functions, set strategies and monitor performance; and
- (h) acting within authority delegated by the Board.

## **6. Membership**

### **6.1 Composition and size**

The Board will consist of a minimum of three and a maximum of nine directors (subject to any increase in accordance with 1st Group's constitution). The majority of the Board should be independent non-executive directors at all times. 1st Group will disclose the names of the directors considered by the Board to be independent directors.

1st Group will seek to ensure the Board continues to have the range of skills, knowledge and experience to:

- (a) understand collectively the risks to 1st Group;
- (b) understand 1st Group's legal and prudential obligations;
- (c) oversee effectively the management of 1st Group; and
- (d) use their independent thinking and judgement to contribute effectively to the Board's deliberations and processes.

1st Group's succession plans are designed to:

- (a) maintain an appropriate balance of skills, experience and expertise on the Board;
- (b) ensure the Board remains open to new ideas and independent thinking; and
- (c) give consideration to the length of time a director has served on the Board, and whether this could affect his or her ability to perform his or her duties.

1st Group will review the performance of its Board, its committees, its directors and its senior executives, in accordance with processes established by the Board.

### **6.2 Appointment and re-election of directors**

The process of selection and appointment of new directors to the Board involves, when a vacancy arises, the Remuneration and Nomination Committee identifying candidates with appropriate skills, experience and expertise. Candidates with the skills, experience and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with 1st Group's constitution but must stand for election by shareholders at the next annual general meeting.

Before recommending a candidate to the Board, the Remuneration and Nomination Committee must ensure appropriate background checks (such as criminal record, bankruptcy, education and character reference checks) have been undertaken in respect of the candidate.

Directors and senior executives will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them to ensure they develop and maintain skills and knowledge needed to perform their role as directors effectively. In particular, directors are provided with detailed briefings by management

on corporate strategy and current issues affecting 1st Group, the industry in which 1st Group operates and the health sector generally.

Directors must retire from office in accordance with the constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chairman of the Board will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). The Board (excluding the Chairman), will conduct the review of the Chairman.

1st Group must disclose the length of service of each director.

### 6.3 Independence

All directors - whether independent or not - should bring an independent judgment to bear on all Board decisions.

A director is considered independent by 1st Group if the director is a non-executive director who is not a member of management and is free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment or could reasonably be perceived to do so.

An independent director of 1st Group does not cease to be an independent director only because he or she is a director of a subsidiary of 1st Group. A director who:

- (a) is a substantial shareholder of 1st Group or an officer of, or otherwise associated directly with, a substantial shareholder of 1st Group;
- (b) is employed, or has previously been employed in an executive capacity by a member of the 1st Group Group, and there has not been a period of at least three years between ceasing that employment and serving on the Board;
- (c) is, or has within the last three years been a partner, director or senior employee of a provider of material professional services to a member of 1st Group;
- (d) is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with a member of the 1st Group companies, or an officer of, or otherwise associated directly or indirectly with, someone with such a relationship;
- (e) has a material contractual relationship with a member of 1st Group other than as a director of 1st Group;
- (f) has close family ties with any person who falls within any of the categories described above; or
- (g) has been a director of 1st Group for such period that his or her independence may have been compromised,

will not be independent, unless the Board is satisfied on reasonable grounds that the director is independent.

In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of 1st Group and its shareholders generally.

1st Group will disclose cases where the Board is of the opinion that the interest does not compromise the independence of the director, the nature of the interest, position, association or

relationship in question and an explanation of why the Board is of that opinion. The Board will regularly assess the independence of each director in light of the interests disclosed by them. Each independent director must provide the Board with all relevant information for review.

Any change to a director's independent status will be disclosed to the market in a timely manner.

#### **6.4 Conflicts of interest**

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of 1st Group. All Directors are required to disclose to the Board details of transactions which may create a conflict of interest for them in the decisions placed before the Board, in accordance with the Corporations Act.

Directors must abstain from voting on any decisions in which they have a material personal interest.

#### **6.5 Conduct of individual directors**

Directors must at all times act in accordance with legal and statutory requirements and discharge all their duties as directors. Directors must:

- (a) discharge their duties in good faith and in the best interests of 1st Group and for a proper purpose;
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a listed company, including by applying an independent and enquiring mind to their responsibilities;
- (c) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- (d) not make improper use of information gained through their position as a director;
- (e) not take improper advantage of their position as a director;
- (f) notify other directors of a material personal interest when a conflict arises;
- (g) make reasonable enquiries if relying on information or advice provided by others;
- (h) undertake any necessary inquiries in respect of delegates;
- (i) give 1st Group, ASIC or the ASX Limited all the information required by the Corporations Act and the ASX Listing Rules;
- (j) not permit 1st Group to engage in insolvent trading; and
- (k) consult the Chairman if considering an invitation to become a director of any other company (except a related body corporate) and have regard to the views of the Chairman about the director acting as a director of an external entity, and relevant Board policies and best practice standards on multiple directorships.

### **7. Board process**

#### **7.1 Meetings**

All Board meetings will be conducted in accordance with 1st Group's constitution and the Corporations Act.

Each Board meeting is to have a structured agenda to ensure that an appropriate amount of time is spent on corporate governance, committee reports, strategic and policy issues and monitoring of overall business performance.

Directors are committed to collective decision making but have a duty to question and raise any issues of concern to them. The Chairman of the Board is to encourage all directors to contribute to the discussion of each issue. All discussions are to be conducted in a professional, frank and transparent manner with each director contributing their independent thoughts and judgements in discharging their responsibilities. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.

Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

All Board decisions are to be informed by a Board paper to ensure that appropriate information is provided to enable the best decision to be made. All directors are generally expected to prepare adequately, attend and participate at each Board meeting. All directors should actively consider the sufficiency of the contents of the Board papers that they have been provided for consideration.

The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.

Non- executive directors will periodically meet without executive directors or management present.

The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable. Time is to be allowed at each meeting for management to provide any updates to the information provided in the Board and Committee papers and directors are to be encouraged to ask the relevant executive/s any questions they may have in relation to the issue being discussed. The Board may conduct meetings by telephone or video conference.

Minutes of each Board and Committee meeting will be prepared recording the documents provided and decisions made.

## **7.2 Independent professional advice**

Following consultation with and consent from the Chairman, directors may seek independent professional advice at 1st Group's expense in respect of any matter connected with the discharge of their responsibilities.

The Chairman must not unreasonably withhold consent to obtain advice and must inform the Board of the request as soon as possible.

## **7.3 Access to management**

The directors have complete and open access to management following consultation with the Chairman and the MD/CEO.

## **8. Review and publication of charter**

The Board is responsible for reviewing this charter and the division of functions and responsibilities in 1st Group to determine its appropriateness in light of the needs of 1st Group from time to time. The charter may be amended by resolution of the Board.

The charter will be made available on 1st Group's website and the key features of this charter be published in 1st Group's annual report.

Approved by the Board on 29 June 2020