



BOARD CHARTER

CENTURY AUSTRALIA INVESTMENTS LIMITED

Approved by the Board 18 May 2018

BOARD CHARTER

ROLE

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfill this role the Board seeks to address (a) the prudential control of the Company's operations, (b) the resourcing, review and monitoring of outsourced service providers, (c) the timeliness and accuracy of reporting to shareholders and (d) the determination of the Company's broad objectives.

FUNCTIONS

Specifically, the Board is responsible for:

- Ensuring that Century Australia Investments Limited (the **Company**) operates in accordance with the Company's Constitution, Corporations Act 2001 (Cth) and ASX Listing Rules;
- Setting objectives, goals and strategic direction with a view to maximising shareholder value;
- Validating and approving corporate strategy and policies;
- Monitoring and reviewing business results, external service providers and the Board itself;
- Monitoring and assessing the investment manager's performance ensuring this is consistent with corporate strategy;
- Confirming that the investment manager has operated in accordance with the Board approved investment process (as disclosed in the Company's Annual Report),
- Reviewing internal controls and systems for effectiveness and external audit reports;
- Approving financial reports and other public documents for disclosure to shareholders and the market;
- Overseeing integrity of the entity's accounting and corporate reporting systems, including the external audit
- Ensuring adequate risk management framework processes;
- Monitoring the reputation and ethical standards of the Company;
- Appointment and removal of the Company Secretary who is accountable to the Board through the Chair;
- Establishing corporate governance policies, codes of conduct, legal and accounting compliance systems, as well as monitoring compliance with those systems;
- Communicating with and protecting the rights and interests of all shareholders;
- Ensuring appropriate resources are available for the Company in the pursuit of its objectives;
- Conducting an annual review of the Board membership with regard to the diversity, present and future requirements of the Company and make recommendations as to composition and appointment of Directors;
- Ensuring that appropriate and effective remuneration packages and policies are implemented;
- Review Board succession plans to maintain an appropriate balance of skills, experience, expertise and diversity;
- Conducting an annual review of the time required from non-executive directors, and whether the directors are meeting this; and
- Conducting an annual review of the independence of directors.

RIGHTS AND RESPONSIBILITIES

The Board has no direct involvement with the management of the Portfolio. Although, the Board will monitor the compliance of the Investment Manager with regards to the terms and conditions of the Investment Management Agreement, the performance of the Company is dependent upon the performance of the Investment Manager.

Operation and development of the Company, consistent with the directions and standards set by the Board, is delegated to the Chairman, and to the various Board Committees (if established).

COMPOSITION OF THE BOARD

The composition of the Board is determined using the following principles:

- A minimum of three directors;
- An independent, non-executive director as Chairman;
- A majority of non-executive directors; and
- A majority of independent directors.

BOARD COMMITTEES

The Board has established an Audit Committee. This committee has a written mandate and operating procedures which are reviewed on a regular basis. The Board has also established a range of policies which govern its operation.

The Audit Committee, consisting of Stephen Menzies (Chairman), Robert Turner and Ross Finley are responsible for considering the effectiveness of the systems and standard of internal control, financial reporting, risk management, any other matters at the request of the Board and making various recommendations to the Board.

OPERATION OF THE BOARD

The Board currently holds a minimum of four scheduled meetings each year plus any other meetings as and when necessitated by the Company's operations. The agenda for meetings is prepared through the input of the Chairman and the Company Secretary. Standing items include matters of Compliance and Reporting, Financials, Shareholder Communications and Investment Returns and Outcomes. Submissions are circulated in advance and Board and Committee papers are generally provided to Directors at least five days prior to the relevant meeting.

Each director has the right of access to all relevant Company information and subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. However, prior approval of the Chairman is required and this will not be unreasonably withheld. A copy of advice received by the director is made available to all other members of the Board.

BOARD POLICIES

The Board has adopted the following policies:

- Code of Conduct and Ethics
- Trading Policy
- Disclosure Policy
- Communication Policy
- Risk Management Policy
- Performance Evaluation Policy

The Board reviews each of these policies at least annually.

ASSESSMENT OF INDEPENDENCE OF DIRECTORS

A Director will be considered independent from the Company if they have no business, interests, positions, associations or other relationships which could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment. Examples of such relationships include:

- is, or has been, employed in an executive capacity by the Company or its subsidiaries and there has not been a period of at least three years between ceasing such employment and serving on the board
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the Company or any of its subsidiaries;
- is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the Company or any of its subsidiaries, or an officer of, or otherwise associated with, someone with such a relationship;
- is a substantial security holder of the entity or an officer of, or otherwise associated with a substantial security holder of the Company;
- has a material contractual relationship with the entity or its subsidiaries other than as a director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the Company for such a period that his or her independence may have been compromised.

The following Directors are considered to be independent:

S. MENZIES (Appointed 16th January 2006)

TEST	FINDINGS	RESULT
1. Substantial shareholder of the Company	No	Independent
2. Within the last 3 years employed in an executive capacity by the company or another group member	No	Independent
3. Within last 3 years has been a principal of a material professional adviser or consultant to the Company	No	Independent
4. Material supplier or customer of the Company or other group member	No	Independent
5. Material contractual relationship with the Company or another group member other than as director of the Company	No	Independent
6. Has the Director served on the Board for longer than 10 years? (this is not considered to impair their independence where all other criteria are met).	Yes	Independent, given no other findings

Conclusion – Independent Director.

R. TURNER (Appointed 10th February 2004)

(ASX Recommendation 2.5 – The chairperson should be an independent director)

TEST	FINDINGS	RESULT
1. Substantial shareholder of the Company	No	Independent
2. Within the last 3 years employed in an executive capacity by the Company or another group member	No	Independent
3. Within last 3 years has been a principal of a material professional adviser or consultant to the Company	No	Independent
4. Material supplier or customer of the Company or other group member	No	Independent
5. Material contractual relationship with the Company or another group member other than as director of the Company	No	Independent
6. Has the Director served on the Board for longer than 10 years? (this is not considered to impair their independence where all other criteria are met).	Yes	Independent, given no other findings

Conclusion – Independent Director

R. FINLEY (Appointed 11th September 2006)

TEST	FINDINGS	RESULT
1. Substantial shareholder of the Company	No	Independent
2. Within the last 3 years employed in an executive capacity by the Company or another group member	No	Independent
3. Within last 3 years has been a principal of a material professional adviser or consultant to the Company	No	Independent
4. Material supplier or customer of the Company or other group member	No	Independent
5. Material contractual relationship with the Company or another group member other than as director of the Company	No	Independent
6. Has the Director served on the Board for longer than 10 years? (this is not considered to impair their independence where all other criteria are met).	No	Independent

Conclusion – Independent Director

G. WILSON (Appointed 22nd September 2014)

TEST	FINDINGS	RESULT
1. Substantial shareholder of the Company	No	Independent
2. Within the last 3 years employed in an executive capacity by the Company or another group member	No	Independent
3. Within last 3 years has been a principal of a material professional adviser or consultant to the Company	Yes	Not independent
4. Material supplier or customer of the Company or other group member	Yes	Not independent
5. Material contractual relationship with the Company or another group member other than as director of the Company	Yes	Not independent
6. Has the Director served on the Board for longer than 10 years? (this is not considered to impair their independence where all other criteria are met).	No	Independent

Conclusion – Non - Independent Director

C. Stott (Appointed 19nd April 2017)

TEST	FINDINGS	RESULT
1. Substantial shareholder of the Company	Yes	independent
2. Within the last 3 years employed in an executive capacity by the Company or another group member	No	Independent
3. Within last 3 years has been a principal of a material professional adviser or consultant to the Company	Yes	Not independent
4. Material supplier or customer of the Company or other group member	Yes	Not independent
5. Material contractual relationship with the Company or another group member other than as director of the Company	Yes	Not independent
6. Has the Director served on the Board for longer than 10 years? (this is not considered to impair their independence where all other criteria are met).	No	Independent

Conclusion – Non - Independent Director

SUMMARY

The Board of Century Australia Investments Limited is well structured to add value, comprising of three Independent Directors and the Chairperson being an independent director. There has been no further loss of independence that requires disclosure with the ASX.

APPOINTMENT AND SELECTION OF NON-EXECUTIVE DIRECTORS

POLICY

To ensure the Board consists of members with the range of skills and qualities to ensure that the interests of shareholders and stakeholders are promoted and protected.

The Board's target is to ensure that (as a minimum) directors collectively have investment, accounting, general business experience and shareholder representation.

Board skills matrix

The Board seeks to ensure as a minimum the Board's skills matrix includes:

- (a) Each Director must be capable of making a valuable contribution to the effective and prudent operation of the Company and Board deliberations and processes;
- (b) Directors must collectively have the necessary skills, knowledge and experience to understand the risks of the Company, including its legal, regulatory and statutory obligations and to ensure that the Company is managed in an appropriate way taking into account these risks; and
- (c) All Directors must be able to read and understand fundamental financial statements and if required, may seek guidance from an independent professional advisor who is appropriately qualified in the area of finance and accounting.

The Directors possess a range of skills. Every Director has had considerable exposure to current corporate governance practices and all Directors possess significant financial acumen.

The following table summarises the key skills and experience of the Directors:

Skills and experience	No. of Directors
Financial acumen (experience in financial accounting and reporting including the ability to probe the adequacies of financial risk and controls)	5
Expert experience in portfolio management	4
General management exposure to domestic and international operations	5
Experience as a non-executive director of at least one other listed entity	5
Held CEO of similar position in a non-financial organisation	2
Regulatory experience and oversight	1

The Board believes it has adequate representation of the necessary skills and requirements noted above.

Directors have a usual term of two years, and a maximum term of 3 years, before retiring by rotation and standing for re-election. The Board assesses annually the term of office of all Directors, in particular those who have served on the Board for longer than 10 years, to ensure the length of service does not compromise their independence. Although Directors have served in office for over 10 years this is not considered to impair their independence where all other criteria are met and where Directors are not associated with the Investment Manager or its related entities.

The terms and conditions of the appointment and retirement of non-executive Directors are set out in a letter of appointment. A Director may resign from office by giving the Company notice in writing.

PROCEDURE FOR THE SELECTION AND APPOINTMENT OF NON-EXECUTIVE DIRECTORS TO FILL A CASUAL VACANCY

- Assess the current Board’s skills and qualities;
- Assess the needs of the Company’s operations currently and going forward;
- Develop selection criteria for potential board candidate(s). The composition of the Board is monitored (both in respect of size, diversity and membership) to ensure that the Board has a balance of skill and experience appropriate to the needs of the Company. When a vacancy arises, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person taking into account the need for diversity in gender, age, ethnicity and cultural background;
- The Board to generate a list of potential candidate(s) who may fill the stated criteria and agree an order of preference;
- Chairman approaches desired candidate(s);
- Appropriate checks are undertaken before the Board appoints a person or put forward a candidate for election as a Director. . In addition, the Board will continue to provide security holders with all material information in its possession relevant to any decision to elect or re-elect a Director by inclusion in any Notice of Meeting of Shareholders.
- Candidate is appointed to the Board in accordance with the Company’s Constitution, ASX Listing Rules and the Corporations Act 2001 (Cth).

PROCEDURE FOR RE-ELECTION OF NON-EXECUTIVE DIRECTORS

- Assess the current Board’s skills and qualities;
- Assess the needs of the Company’s operations currently and going forward;

- Develop selection criteria for potential Board candidate(s). The composition of the Board is monitored (both in respect of size, diversity and membership) to ensure that the Board has a balance of skill and experience appropriate to the needs of the Company. When a vacancy arises, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person taking into account the need for diversity in gender, age, ethnicity and cultural background;
- The Board measure the retiring Director's skills against the criteria;
- Directors discuss and agree whether the retiring director should stand for re-election at the next annual general meeting;
- Appropriate checks are undertaken before the Board puts forward a candidate for re-election as a Director. In addition, the Board will continue to provide security holders with all material information in its possession relevant to any decision to re-elect a Director by inclusion in any Notice of Meeting.
- If recommended for re-appointment, the retiring director stands for re-election at the shareholder meeting in accordance with the Company's Constitution, ASX Listing Rules and the Corporations Act 2001 (Cth). Otherwise the new director selection process commences.

A Director will cease to be a Director if the Director:

- Becomes of unsound mind or a person whose property is liable to be dealt with under law about mental health;
- Resigns or is removed under the Company's Constitution; or
- Becomes insolvent under administration; or the Corporations Act 2001 (Cth) so provides.

INDUCTION PROGRAM AND PROFESSIONAL DEVELOPMENT

Recommendation 2.6 states the listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively. Due to the small size of the Board an induction program or formal professional development program is not considered necessary for new and existing directors. The Chairman is best suited to address any queries a new Director may present on induction to the Board. Directors are expected to maintain their industry knowledge, however, Directors may also enquire of the Investment Manager, Administration Manager and External Auditors as is necessary should technical queries arise.

Each Director has the right of access to all relevant Company information subject to prior consultation with the Chairman and, may seek independent professional advice at the Company's expense. A copy of advice received by the director is made available to all other members of the Board.

NOMINATION COMMITTEE

ASX Recommendation 2.1 – The board should establish a nomination committee.

Based on ASX recommendations, the nomination committee should consist of a minimum of 3 members, the majority being independent directors, and chaired by an independent director.

Due to the size of the Company it has not established a formal Nomination Committee and the functions of the Nomination Committee are undertaken by the full Board.

The Company does not employ staff directly, therefore, the Board do not consider a diversity policy incorporating gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity is relevant. The Board recognises that diversity of gender and background are two important criteria and take these into account in developing Board

succession plans and appointment. However, other selection criteria, in particular business acumen and industry experience, are also fundamentally important. When a vacancy arises, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person taking into account the need for diversity in gender, age, ethnicity and cultural background. Given the Company has no employees, consideration of diversity does not extend beyond the Board and further disclosures in relation to policies are not considered relevant.

The Company considers the impact of size in the practical implementation of its diversity policy, and accordingly does not believe it would be practical to set measurable objectives to achieve diversity.