

# Board Charter

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Aussie Broadband Limited ACN 132 090 192

Document version control:

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| Custodian                                       | Company Secretary   |
| Date of Board approval                          | 21 February 2025  |
| Date of next scheduled review                   | July 2026   |
| Legislative framework and regulatory compliance | ASX Corporate Governance Principles and Recommendations (4th edition) |
| Regulators                                      | ASX   |

## 1. Introduction

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- (a) Aussie Broadband's Board has adopted this charter to define how it operates and discharges its duties, in line with good governance practices and relevant laws.
- (b) This charter includes an overview of:
  - (i) the composition of the Board,
  - (ii) the roles and responsibilities of the Board,
  - (iii) the relationship and interaction between the Board and management and the Board's ability to delegate its authority to management, and
  - (iv) the Board process.
- (c) The Board will review this charter at least annually, or more often if required.

## 2. Board composition

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### 2.1 Board composition and size

- (a) Directors are appointed by the Board and elected or re-elected by the shareholders. Non-executive directors are engaged through a letter of appointment.
- (b) Subject to the rules of Aussie Broadband's constitution, the Board, along with the Nomination Committee, decide:
  - (i) on the size and composition of the Board, and
  - (ii) whether the mix of skills, experience, expertise and diversity of current Board members remains appropriate to deliver Aussie Broadband's strategy.
- (c) Generally, the Board should have at least 6 directors, of which a majority should be independent, non-executive directors. Members should represent a broad range of skills, expertise and experience from a diverse range of backgrounds.

### 2.2 Director independence and tenure

- (a) A director is independent when they don't hold any interest, position, association or relationship that might affect their ability to:
  - (i) judge issues before the Board, and/or
  - (ii) act in the best interests of Aussie Broadband and its shareholders.

The Board has adopted a definition of independence based on Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (4<sup>th</sup> edition) (see Annexure 1).

- (b) The Board regularly reviews the independence of each non-executive director.
- (c) The Board discloses the names of the directors it considers to be independent directors.

- (d) The Board does not limit how long a director can serve. Mandatory limits can help bring fresh ideas and viewpoints, but they can they also lose the benefit of directors who have developed an increasing insight into Aussie Broadband and its operations. So, tenure is one of the factors that the Board takes into account when assessing the independence and ongoing contribution of a director.

### **3. Board role and responsibilities**

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#### **3.1 Board role**

The Board's role is to:

- (a) represent and serve the interests of shareholders by overseeing and appraising Aussie Broadband's strategies, policies and performance. This includes overseeing the financial and human resources in place to meet its objectives, and reviewing management performance,
- (b) protect and optimise Aussie Broadband's performance and build sustainable value for shareholders while having an overall positive impact on society and the environment and operating in line with applicable laws and Aussie Broadband's constitution. This should happen within a framework of prudent and effective controls that enable risk to be assessed and managed,
- (c) set, review and monitor compliance with Aussie Broadband's "why" (i.e. Aussie Broadband's mission and purpose), values and governance framework, and
- (d) ensure shareholders are kept informed of Aussie Broadband's performance and major developments.

#### **3.2 Board responsibilities**

The Board is responsible for:

- (a) selecting, appointing and evaluating from time to time the performance, remuneration, and succession planning of the Group Chief Executive Officer (**Group CEO**), and their direct reports,
- (b) contributing to and approving management's corporate strategy, including performance objectives and operating budgets,
- (c) reviewing, ratifying and monitoring systems of risk management, internal controls and legal compliance,
- (d) monitoring corporate performance and implementation of strategy and policy,
- (e) approving major capital expenditure, acquisitions and divestitures, and monitoring capital management,
- (f) monitoring and reviewing processes to ensure the integrity of financial and other reporting systems, including the external audit,
- (g) ensuring relevant information is reported by management to the Board, and whenever required, challenging management and holding it to account,
- (h) approving financial reports, profit forecasts and other reports required by law or under the ASX Listing Rules to be adopted by the Board,

- (i) overseeing Aussie Broadband's process for making timely and balanced disclosures,
- (j) ensuring shareholders are kept informed of Aussie Broadband's performance and major developments,
- (k) evaluating, at least annually, the performance of the Board, its committees and individual directors in line with the process in Annexure 2,
- (l) developing and reviewing corporate governance policies, including Aussie Broadband's "why", values and Code of Conduct,
- (m) ensuring Aussie Broadband's remuneration policies are aligned with Aussie Broadband's "why", values, strategic objectives and risk appetite,
- (n) ensuring Aussie Broadband has an appropriate risk management framework (for both financial and non-financial risks) and setting risk appetite, and
- (o) performing other functions required by law or that are assigned to the Board.

### **3.3 Director responsibilities**

- (a) Directors will at all times act with honesty and integrity and will observe the highest standards of ethical behaviour.
- (b) Directors will ensure that no decision or action is taken that prioritises their personal interests over Aussie Broadband's interests.
- (c) Directors will participate in all induction programs and any continuing education or training arranged for them. Development for existing directors will be regularly reviewed by the People and Community Committee to ensure all directors maintain the skills and knowledge required to perform their role effectively.
- (d) The Board collectively, and each director individually, has the right to seek independent professional advice, subject to the approval of the Chair, or the Board as a whole.

## **4. Delegation of duties and powers**

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### **4.1 Delegation to committees**

- (a) The Board may establish committees as required to help it streamline its work.
- (b) The Board will adopt a formal charter for each standing committee providing details of its composition, responsibilities and administration.
- (c) The permanent committees of the Board are:
  - (i) the People and Community Committee;
  - (ii) the Audit, Risk and Compliance Committee; and
  - (iii) the Nomination Committee.
- (d) The Board may also delegate functions to ad hoc committees on an "as needs" basis.

## **4.2 Delegation to management**

- (a) Although the Board retains ultimate responsibility for Aussie Broadband's strategy and performance, the day-to-day operations are the responsibility of the Group CEO and those appointed to CEO roles. The Group CEO is responsible for overall group strategy, mergers and acquisitions, and market facing activities.
- (b) The Board works jointly with the Group CEO to develop their duties and responsibilities, and approves corporate objectives for the Group CEO and their direct reports, to work towards.
- (c) The management team (the Group CEO, their direct reports, and executive leadership teams) are:
  - (i) responsible for implementing the strategy, plans and budgets approved by the Board, and
  - (ii) accountable to the Board for matters within its delegated authority.
- (d) Management must supply the Board with information in a form, timeframe and quality that will enable the Board to meet its responsibilities.
- (e) Directors can ask for further information at any time when they consider it appropriate.

## **4.3 Matters reserved for the Board**

Specific matters reserved for determination by the Board include:

- (a) approving Aussie Broadband's "why" and values,
- (b) appointing and removing a Chair and Deputy Chair,
- (c) appointing and removing the Group CEO and those appointed to CEO roles,
- (d) approving the appointment of other senior executives,
- (e) appointing directors to fill a casual vacancy or as an additional director,
- (f) establishing committees of the Board, their membership and delegated authorities,
- (g) recommending dividends to shareholders and approving dividends,
- (h) approving major capital expenditure, and acquisition and divestitures above management's delegated authority levels,
- (i) calling meetings of shareholders,
- (j) approving or amending formal delegations of authority, and
- (k) any other specific matters nominated by the Board from time to time.

## **5. Board process**

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### **5.1 Meetings**

- (a) The Board will meet regularly by appropriate means (videoconference or in person if appropriate).

- (b) Periodically, non-executive directors may meet without the Group CEO or management.
- (c) Aussie Broadband's constitution governs Board meetings and proceedings.

## **5.2 The Chair**

- (a) The Board will appoint one of its members to be Chair.
- (b) The Chair should be an independent, non-executive director.
- (c) The Chair represents the Board to the shareholders and communicates the Board's position.

## **5.3 The Company Secretary**

- (a) The Board will appoint at least one Company Secretary who is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- (b) The Company Secretary is responsible for coordinating all Board business, including agendas, board papers, minutes, communication with regulatory bodies and the ASX, and all statutory and other filings.
- (c) All directors will have direct access to the Company Secretary.

## **6. Review**

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- (a) The Board will review the charter and consider whether it is fit for purpose at least annually.

## Annexure 1– Independence of Directors

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### 1. Independence guidelines

Without limiting the Board's discretion, the Board has adopted these guidelines to help when considering the independence of directors. In general, directors will be considered "independent" if they:

- (a) are not employed in an executive capacity by Aussie Broadband or another group member, or, if they have been previously employed as such, it was at least 3 years ago,
- (b) do not receive performance-based remuneration from Aussie Broadband or participate in an employee incentive scheme of Aussie Broadband,
- (c) have not within the last 3 years been a partner, director or senior employee of a provider of material professional services to Aussie Broadband or another group member,
- (d) have not within the last 3 years been in a material business relationship (eg as a professional advisor, consultant, supplier or customer) with Aussie Broadband or otherwise associated directly or indirectly with someone with such relationship,
- (e) are not a substantial shareholder of Aussie Broadband or representative or officer of, or associated directly or indirectly with, a substantial shareholder of Aussie Broadband,
- (f) have no material contractual relationship with Aussie Broadband other than as a director,
- (g) do not have close family ties with any person in the categories above,
- (h) have not been a director of Aussie Broadband for so long that their independence may be compromised, and
- (i) are free from any other interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to independently judge issues before the Board and to act in the best interests of Aussie Broadband and its shareholders as a whole.

### 2. Materiality thresholds

The Board will consider the materiality of the director's interests, position, association or relationship to decide "independence" on a case-by-case basis, considering both quantitative and qualitative principles. Without limiting the Board's discretion, the Board has adopted these guidelines:

- (a) the Board will determine the appropriate base to apply (eg revenue, equity or expenses) in the context of each situation,
- (b) in general, the Board will consider a holding of 5% or more of Aussie Broadband's shares to be material,
- (c) in general, the Board will consider an affiliation with a business which accounts for less than 5% of the relevant base to be immaterial. However, above this threshold, materiality of the circumstance should be reviewed by the Board, and

- (d) overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the director's interest, business or relationship could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of Aussie Broadband.



## **Annexure 2 – Performance Evaluation Process**

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### **1. Board of Directors**

Each year, the Board will ensure that a review is conducted of:

- (a) the performance of the Board as a whole;
- (b) the performance of individual directors; and
- (c) the performance of each committee of the Board.

The Board will ensure that it discloses whether the above processes have been undertaken.

### **2. Executive directors and key executives**

Each year the Nomination Committee will oversee the performance evaluation of the executive team, and will disclose if this has taken place.

This evaluation is based on specific criteria, including the business performance of Aussie Broadband, whether strategic objectives are being achieved, and development of management and personnel.

### **3. Review of board performance evaluation process**

This process will be reviewed by the Board every 2 years, or more frequently if the Board considers necessary.