

## BOARD CHARTER

### 1. Document purpose

This Charter sets out the role and responsibilities of the Board of Wellfully Limited ACN 056 482 636 (**Wellfully, us, our, we**) and how the Board performs. It also sets out matters that can be delegated to management.

This Charter will be reviewed periodically.

### 2. Role of our Board

- a. Set purpose, mission, vision, values and strategic direction – and review these regularly to ensure that we're on track.
- b. Establish governance and risk management frameworks and policies, and oversee their effectiveness and compliance.
- c. Appoint the CEO and/or Managing Director and oversee their performance.
- d. Hold management to account.

In carrying out its role, the Board recognises its: duty to act honestly, fairly and diligently in serving the interests of our shareholders; duty to act according to the law in serving the interests of our shareholders; and duties and responsibilities to employees, customers and the community.

### 3. How our Board oversees our performance

#### **Strategy**

- a. Review, analyse and approve our business plan, strategies and goals.
- b. Ensure what we do is aligned to our purpose.
- c. Oversee performance and ensure it's happening as expected.
- d. Develop our risk appetite, which impacts strategy.
- e. Focus on long term shareholder value.

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**Directors**  
Mr Antonio Varano  
Mr Steven Schapera  
Mr Jeffrey Edwards  
Mr Cameron Reynolds  
Mr Anthony Wright

**CEO**  
Mr Paul Peros

**Company Secretary**  
Mr Henko Vos

**Registered Office**  
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6007

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[www.wellfully.net](http://www.wellfully.net)  
ABN: 72 056 482 636

## **Governance**

*Background: the ASX Corporate Governance Principles and Recommendations (ASX Principles) provides fundamental principles for strong corporate governance. Whilst compliance with the ASX Principles aren't mandatory, companies must explain any deviations from them. Our Board believes the ASX Principles represent a sound basis for good governance, and we strive to adhere to them.*

- f. Ensure that we have the right people, culture and behaviours so that we comply with the law and society's expectations.
- g. Ensure that we provide a safe, great place to work.
- h. Ensure that we have suitable policies and procedures to achieve good governance, and that this is properly overseen and implemented.
- i. Have clear delegations of authority from the Board to Board Committees, the CEO, MD and, in turn, others within our team.
- j. Utilise Board committees where required.
- k. Have a culture, plus frameworks and policies, so the right information is reported to the Board in a timely way. All directors are provided with unrestricted ongoing access to our operations, management and information, unless the Board determines it would be averse to our interests.
- l. Have a process for Board renewal, director selection and induction, and to approve fees.
- m. Annually review the Board's (and any Committees') performance.
- n. Ensuring our governance framework, policies and practices are suitable and aligned with shareholders' interests and expectations, our risk appetite and the law.
- o. Ensure material breaches of our *Code of Conduct* (including *Whistleblower Policy*) are known to the Board.
- p. Ensure disclosure of price sensitive information.

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***Financial matters***

- q. Approve our financial information (statements, accounts, budgets, forecasts etc.) as required by law.
- r. Regularly and diligently monitor financials to ensure we're performing as expected.
- s. Ensure that we understand, manage and mitigate financial risks.
- t. Ensure that we're solvent and that we have the necessary resources to achieve our strategies.
- u. Ensure the integrity and usefulness of our accounting systems and processes so that they provide reliable, accurate and timely information to the Board and management. Review these systems annually.
- v. Engage an appropriate external auditor and ensure that they have suitable access to information, systems and people. Review their performance annually.
- w. Approve our dividend policy and any payment of dividends.
- x. Ensure that our assets are safeguarded.

***People***

- y. Select our CEO, MD and Company Secretary, and oversee their performance. Set their remuneration and targets.
- z. Have in place key people succession plans.
- aa. Approving policies, practices and measurable objectives for achieving diversity and inclusion.
- bb. Ensure Board diversity, suitable skills, independence and that the Board leads by example regarding our culture and desired behaviours.
- cc. Establish and approve a remuneration framework (including incentive schemes) for our key people and Board.

***Operations and production, and R&D***

- dd. Ensure that we design and manufacture safe, useful and sustainable products.
- ee. Approve an annual operations plan and R&D plan, and track progress.
- ff. Approve (and monitor compliance with) risk management frameworks and systems. Ensure our systems can monitor the effectiveness of our risk management framework and to identify, manage and mitigate risks appropriately.
- gg. Ensure we have accurate, reliable reporting systems, internal controls (both operational and financial) and compliance activities, and oversee their performance.

**4. Board composition**

- a. Shareholders appoint our Board.
- b. Subject to our Constitution, the Board (and the Nominations Committee) determines the size and composition of the Board to ensure the right mix of skills, experience, diversity, independence and workload required.
- c. Where practical, a majority of the Board (i.e. at least 50%) will be independent non-executive directors. The Board will determine the independence of non-executive directors annually having regard to the ASX recommendations, and good governance.
- d. Directors must take all reasonable steps to avoid a conflict of interest (or perceived one) with Wellfully. At each Board meeting, the directors will confirm their compliance with this.
- e. The Chair is appointed by the Board and, where practical, should be a non-executive director. If the Chair ceases to be an independent director, the Board will consider appointing a lead independent director.
- f. The Chair will:
  - i. lead the Board;

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- ii. facilitate constructive discussion at Board meetings and ensure that the Board functions effectively;
  - iii. communicate the Board's position to shareholders;
  - iv. oversee the performance of individual directors;
  - v. with the Company Secretary's assistance, establish the agenda for and frequency of Board meetings; and
  - vi. chair meetings of shareholders, including the annual general meeting.
- g. The Company Secretary:
- i. will be appointed by the Board – there may be more than one Company Secretary;
  - ii. is accountable to the Board, through the Chair, and all directors will have direct access to them;
  - iii. will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive directors;
  - iv. will organise director induction and professional development;
  - v. will facilitate and monitor implementation of Board policies and procedures;
  - vi. advise the Board on corporate governance matters, the application of the Constitution, ASX Listing Rules and applicable other laws;
  - vii. can be accessed by all directors; and
  - viii. can be removed by the Board.
- h. The Board will annually review and evaluate its performance and for any of its committees.

## 5. Board meetings

- a. Our Board will meet regularly to perform its role effectively and directors will do their best to attend all meetings.
- b. The Board will have formal Board meetings at least quarterly and hold additional meetings as may be required. Meetings don't need to be held in person.
- c. Non-executive directors may confer at scheduled times without management being present.
- d. The Company Secretary will take minutes of these meetings and send them to the Board for review and final approval by the Chair at the next Board meeting.
- e. The Company Secretary will send supporting papers to the Board before each meeting.
- f. Further details about Board meetings are in the Constitution.

## 6. Board Committees

The Board may create committees to assist in carrying out its responsibilities and adopt charters setting out matters relevant to the composition, responsibilities and administration of such committees.

We will have an *Audit and Risk Committee* and *Nomination and Remuneration Committee*. The Board can delegate to ad hoc committees as well.

## 7. Relationship between our Board and management

- a. The Board:
  - i. delegates to the CEO all the powers and authorities required to manage Wellfully's business and execute our strategies – this excludes those powers and decisions expressly reserved to the Board or one of its Committees as described in this Charter, the Constitution, or as required by law;

- ii. will adopt appropriate structures and procedures to ensure it retains its independence and functions independently of management – this will include the non-executive directors meeting in the absence of management on a regular basis; and
  - iii. may seek external legal or other professional advice as the Board or a Committee of the Board considers necessary and appropriate.
- b. A director may seek external legal or professional advice with the consent of the Chair or the Chair of the *Audit and Risk Committee*.
- c. The CEO:
  - i. can delegate tasks and functions within Board approved limits;
  - ii. alongside management, must lead and manage our business and operations using good judgment, and according to our values, strategic plan, budget/s, and risk and governance frameworks, the law, and stakeholder expectations;
  - iii. is accountable to our Board for the exercise of the delegated authority and must report material matters to our Board with accurate and timely information; and
  - iv. must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively, and will have open communications with the Board.

## 8. Fit and proper person test

- a. To ensure good governance, good performance and compliance with the ASX's requirements, we ensure specific people satisfy the "fit and proper person" test – i.e. that they are fit and proper to undertake their role with us.
- b. Determining if a person is fit and proper to serve in a director or executive position involves determining if the person:

- i. possesses the competence, character, diligence, honesty, integrity and judgment to perform the duties of the position;
  - ii. is not disqualified by law from performing their duties;
  - iii. they don't have a criminal record or have previously been bankrupt;
  - iv. has no conflict of interest in performing the duties of the responsible person position or, if any conflict exists, it is disclosed and it won't create a material risk that the person will fail to perform their duties; and
  - v. has sufficient time available to them to fulfil their responsibilities.
- c. The competence required of each person will depend on that person's role.
  - d. Assessment of a person's fitness and propriety must be made before they are appointed to a position.
  - e. A person nominated for responsible person position must provide a Fit and Proper Attestation.
  - f. We'll verify each attestation by obtaining relevant information about the candidate. Our Company Secretary will carry out verification and the Nomination and Remuneration Committee will assess it before the Board making the ultimate decision.
  - g. Annually each director and nominated executive will be required to declare that they remain a fit and proper person.

## **9. Induction and education**

New directors will be inducted by receiving a full briefing on us, including:

- a. details of the roles and responsibilities of a director;
- b. formal policies on director appointment, conduct and contribution expectations;

- c. guidelines on how the Board functions;
- d. details of past, recent and likely future developments about the Board;
- e. background and contact information for our key people;
- f. an analysis of the business and a synopsis of the current strategic direction; and
- g. copies of the Constitution, Strategic Plan, Risk Management Framework (including Risk Appetite Statement), the last three years' financial statements (actuals and budgets), financial statements for the current period, board packs/papers and minutes for the prior year.

## **10. Disclosure policy**

The Board will ensure we have effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence our share price or listed debt securities.

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