



**RUNGE LIMITED**

**ACN 010 672 321**

**Board Charter**

**Adopted by the Board on 11 April 2008**



## Board Charter

### 1. Purpose

This document sets out the key responsibilities and roles of the Board of Runge Limited ACN 010 672 321 ("**the Company**").

### 2. Overriding responsibilities

The Board is committed to:

- (a) protecting the interests of shareholders and other stakeholders in the Company (such as employees, business partners, customers and the community as a whole);
- (b) promoting and maintaining good corporate governance structures to facilitate the growth of the Company while managing risks and being accountable to stakeholders;
- (c) acting efficiently, honestly and fairly;
- (d) acting in accordance with all applicable laws and regulations; and
- (e) promoting a culture of good corporate governance throughout the entire Company.

### 3. Key roles

The Board is ultimately responsible for the business and management of the Company. Taking into consideration the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council ("**Corporate Governance Principles**"), the Board acknowledges that their key responsibilities are:

- (a) Overseeing the Company, including its control and accountability systems.
- (b) Overseeing the business and strategic direction of the Company in order to maximise performance and generate appropriate levels of shareholder return.
- (c) Appointment, evaluation and removal of:
  - (i) the Chairman;
  - (ii) the Managing Director;
  - (iii) any other Executive Director;
  - (iv) the Company Secretary; and
  - (v) where appropriate, senior executives.
- (d) Reviewing, ratifying and monitoring systems of internal controls, risk management, codes of conduct and legal compliance.
- (e) Providing input into and final approval of management's development of corporate strategy and performance objectives.
- (f) Reviewing the performance and implementation of corporate strategies by senior management and ensuring that senior management have the necessary resources to do so.
- (g) Approving and monitoring progress of major capital expenditure, capital management, acquisitions and divestments.



- (h) Approving and monitoring annual budgets and strategic plans.
- (i) Approving and monitoring financial and other reporting made to shareholders and the ASX under the continuous disclosure regime.

#### 4. Delegation

The Board may from time to time establish committees to assist in the discharge of its responsibilities. As at the date of this Charter, the Board has established:

- (a) an Audit and Risk Committee, which is responsible for overseeing the external and internal auditing of the Company's activities;
- (b) a Remuneration Committee, which is responsible for making recommendations to the Board on remuneration packages for executives, senior Managers and non-Executive Directors; and
- (c) a Nominations Committee, which is responsible for making recommendations to the Board on the composition of the Board and appointment and evaluation of the Managing Director.

#### 5. Board Membership

The Board is committed to ensuring that there will be at least five directors of whom a majority will be non executive directors and as far as possible, at least 2 will be independent directors. Consistent with Recommendation 2.1 of the Corporate Governance Principles, a director is regarded as independent if that director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement. When determining the independent status of a director, the Board should consider whether the director:

- (a) is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) within the last three years has been employed or has previously been employed in an executive capacity by the Company or another group member;
- (c) within the last three years has been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (d) is a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has a material contractual relationship with the Company or another group member other than as a director of the Company.

The Board is also committed to ensuring that all directors, whether independent or not, bring an independent judgment to bear on Board decisions. To facilitate this, the Board will agree on a procedure for directors to have access in appropriate circumstances to independent professional advice at the Company's expense.

The Board is committed to ensuring that its members have a broad range of skills, experience and expertise. This will assist the Board to maximise performance and ensure appropriate levels of shareholder return.

Non-executive directors should consider the benefits of conferring regularly without management present.

**6. Chair**

The Chair should be an independent director. The role of chair is a demanding one and requires a significant time commitment, so that the chair's other commitments should not be so heavy that they hinder effective performance in the role of chair.

The role of Chair and chief executive officer should not be shared.

**7. Review**

The Board reviews its performance and Charter annually to ensure that it is operating effectively and in the best interests of the Company.