

## Board Charter - Kip McGrath Education Centres Limited

### 1. Introduction

This Charter sets out the objectives, responsibilities and framework for operation of the Board as established in accordance with the constitution of Kip McGrath Education Centres Limited. To the extent of any conflict between the terms of this Charter and a constitution, that constitution prevails.

The adequacy of this Charter is to be reviewed and assessed by the Board as required and at least annually and appropriate changes made.

### 2. Interpretation

ASX means ASX Limited.

Board means the Board of Directors of Kip McGrath Education Centres Limited.

Charter means this Board Charter.

Committee means a committee created by the Board.

Directors mean the directors of the Board.

Kip McGrath Education Centres means Kip McGrath Education Centres Limited and its controlled entities.

Shareholders mean shareholders of Kip McGrath Education Centres Limited.

### 3. Objectives and responsibilities

The Board represents and serves the interests of and is accountable to the Shareholders and seeks to ensure that the business objectives of Kip McGrath Education Centres are aligned with the expectations of Shareholders, are clearly communicated to Shareholders and that the operations of Kip McGrath Education Centres are being managed in a manner that is focused on those business objectives as well as conforming to regulatory and ethical requirements.

In addition to the above responsibilities, the primary objectives of the Board in discharging its functions are:

– demonstrating leadership and the oversight of the effective management and control of the Company including the composition, performance and remuneration of the executive leadership

team and ensuring they are aligned with Kip McGrath Education Centre's purpose, values and strategic objectives;

– defining Kip McGrath Education Centre's purpose, vision and values and set and review its strategic objectives;

– monitoring and influencing Kip McGrath Education Centre's corporate culture, reputation, ethical standards and legal compliance and overseeing the corporate governance framework and the key supporting policies governing Kip McGrath Education Centres, including the Code of Conduct;

- approving and monitoring key budgets, business plans, financial statements and financial policies;
- overseeing capital management initiatives, including approving dividend payments, share issues, buybacks and returns of capital;
- approving all material transactions including major new investments, capital expenditure, acquisitions and divestitures and capital management initiatives as proposed by management;
- establishing, promoting and maintaining proper processes and controls to maintain the integrity of financial accounting, financial records and reporting;
- developing and implementing key corporate policies, procedures and controls as necessary to establish a risk aware culture and to ensure appropriate standards of accountability, risk management, corporate governance and responsibility and ethical and legal compliance;
- establishing, promoting and maintaining a proper risk management framework to ensure risks are identified and reported by management to the Board in a timely manner;
- appointing and removing the Chief Executive Officer, the Chief Financial Officer and the Company Secretary;
- overseeing the adequacy of managerial resources to ensure there is sufficient depth of resources and appropriate succession planning;
- monitoring the performance of management and the implementation of strategy and corporate plans, including holding management to account;
- ensuring that Shareholders receive high quality, relevant and accurate information in a timely manner and that investors generally are able to trade in Kip McGrath Education Centres Limited securities in a market which is efficient, competitive and informed.

#### **4. Composition of the Board**

##### 4.1 Structure of the Board

The membership of the Board is reviewed by the full Board as required and at least annually having regard to the ongoing needs of Kip McGrath Education Centres.

It is the policy of the Board that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the core business activities of Kip McGrath Education Centres, and non-executive members who are able to bring to the Board a broad range of general commercial expertise and experience.

The Board should be of a size and composition that is conducive to effective decision making, with the benefit of a variety of perspectives and skills, commitment and knowledge of Kip McGrath Education Centres and the industry in which it operates to enable the Board to discharge its duties effectively and add value.

Directors are initially appointed by the full Board. They are subject to election by Shareholders at the Annual General Meeting following their appointment and are subject to re-election by Shareholders at least every three years.

## 4.2 Independence

The Board should include a majority of independent Non-executive Directors who are capable and willing to make decisions which are in the best interests of Shareholders free from interests and influences which conflict with that duty and are also independent of management.

The Board must regularly assess the independence of each Director in light of the interests they have disclosed and such other factors as the Board determines are appropriate to take into account in determining whether the Director is independent of management and free of any business or other relationship that could materially interfere with or could be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

A Non-Executive Director will not be regarded as an independent Director if that Director:

- is a substantial Shareholder or an officer of, or otherwise associated directly with, a substantial Shareholder;
- has been employed in an executive capacity by Kip McGrath Education Centres and there has not been a period of three years between ceasing such employment and serving as a Director on the Board;
- within the last three years has been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of Kip McGrath Education Centres;
- within the last three years has been a principal, director, employee or consultant of a material professional adviser to Kip McGrath Education Centres;
- is a principal, director, employee or associate of a material supplier to, or material customer of, Kip McGrath Education Centres;;
- has a material contractual relationship with Kip McGrath Education Centres other than as a Director;
- has any interest and any business or other relationship, including close family ties with any person who falls within any of the categories described above, which could materially interfere with the Director's ability to act in the best interests of Kip McGrath Education Centres and independently of management;
- has been a Director for such a period that his or her independence may have been compromised.

The Board will identify independent Directors and their length of service in the corporate governance section of the annual report of Kip McGrath Education Centres Limited.

## 4.3 Training

(a) New Non-executive Directors will be provided with an induction program designed to familiarise them with Kip McGrath Education Centres and Board policies, practices and procedures. Continual education, training and development programs will also be arranged as necessary for all Directors. The Director's Skills Matrix is reviewed on an annual basis to ensure the skills, knowledge, experience and diversity remains appropriate for Kip McGrath Education Centres needs.

## 5. Meetings

### 5.1 Frequency

The Board should meet regularly (not less than eight times a year) and hold special meetings as required. Prior notice of meetings will be given in a manner which, so far is possible, facilitates

attendance by all Directors. Directors will use all reasonable endeavours to attend in person, however, where this is not possible, meetings should be conducted so as to facilitate participation by using any technology.

Any Director may convene a meeting of the Board or require the Company Secretary to convene a meeting of the Board.

Periodically the Non-Executive Directors will meet without the Chief Executive Officer or Management present.

## 5.2 Compliance with the Constitution

All meetings of the Board will be conducted in accordance with the constitution of Kip McGrath Education Centres Limited and applicable laws.

## 6. Delegations

6.1 The Board is responsible for overseeing the effective management and control of Kip McGrath Education Centres.

6.2 The Board has delegated certain responsibilities to standing committees which operate in accordance with Charters approved by the Board.

6.3 The Board has delegated the day-to-day management of the business of Kip McGrath Education Centres to management through the Chief Executive Officer subject to agreed authority limits applicable to the executive leadership team. However, the Board has established a list of reserved matters pursuant to which it has reserved to itself control over certain matters of a strategic, sensitive or extraordinary nature or which exceed the thresholds set in the authority delegated to management.

## 7. Reserved Matters

The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated to a Committee, the Chair, the Chief Executive Officer or another nominated member of the executive leadership team.

### 7.1 Strategy and Direction

Policies regarding Kip McGrath Education Centres:

- overall strategic direction and strategic plans for each of Kip McGrath Education Centre's major business units;
- key business and financial objectives; and
- dividend policy and the approval of any dividend pursuant to that policy.
- Acquisitions, disposals of assets or any significant Kip McGrath Education Centres expenditure which exceed the authority limits delegated to the Chief Executive Officer.

### 7.2 Financial Controls, Compliance and Risk Management

- Annual operating and capital expenditure budgets for Kip McGrath Education Centres.
- Treasury policies, including foreign currency exposure and policies on the use of financial derivatives.

- Kip McGrath Education Centre's financial statements and published reports, including the Directors' report and Kip McGrath Education Centre's corporate governance statement and any other reports required by law or under the ASX Listing Rules to be adopted by the Board.
- The establishment and review of the effectiveness of Kip McGrath Education Centre's systems of internal control and risk management processes.
- Setting the risk appetite in which the Board expects management to operate.
- Matters impacting on compliance with statutory and regulatory obligations which, if not complied with, would have a material effect on the business of Kip McGrath Education Centres.
- Any significant changes in accounting policies or procedures.

### 7.3 Capital Structure

- Changes to Kip McGrath Education Centre's capital structure, including reductions of share capital, share buybacks or issue of new securities, other than in accordance with the terms of Kip McGrath Education Centre's incentive plans, if any.
- Borrowings or giving security over assets outside the ordinary course of business.

### 7.4 Appointments

Appointments to the Board.

- The appointment and review of the performance of the Chair.
- The appointment and review of the performance of the Chief Executive Officer.
- The appointment of external auditors (on the recommendation of the Audit Committee).
- The appointment of the Company Secretary.

### 7.5 Delegation of Authority

- Changes to the membership or Charter of any committee of the Board.
- Changes to the authority delegated to the Chief Executive Officer.
- Matters which exceed the authority delegated to the Chief Executive Officer.

### 7.6 Policies

The instigation of significant policies affecting Kip McGrath Education Centres as a whole, including where applicable:

- the Code of Conduct for Directors and Employees;
- Securities Trading Policies;
- Dividend Policy;
- Risk Management Policies;
- Continuous Disclosure Policies.
- Equity and Diversity Policies; and
- Whistleblower Policies

### 7.7 Corporate Governance Matters

- Determining the independence of Non-Executive Directors.
- Determining the remuneration of the Non-Executive Directors, within the limits under the Constitution.

- Determining the appropriate size and composition, appropriate mix of skills and structure of the Board.
- Resolutions and related documentation to be put to Shareholders in general meeting.
- Approval of ASX announcements and press releases concerning matters decided by the Board including announcements relating to the operating performance of Kip McGrath Education Centres.

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## **8. Duties of Individual Directors**

### 8.1 General

The Directors are required to act ethically, responsibly, transparently, lawfully and in the best interest of Shareholders and to endeavour to ensure that the business of Kip McGrath Education Centres is managed and conducted efficiently, that security holder value is enhanced and security holder expectations are met or exceeded.

### 8.2 Legal Obligations of Directors

(a) Directors must:

- discharge their duties in good faith and in the best interests of the Shareholders and for a proper corporate purpose;
- act with care and diligence, demonstrate commercial reasonableness in their decision making and with the level of skill and care expected of a Director of an ASX listed entity;
- avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- act for the benefit of Kip McGrath Education Centres at all times;
- not make improper use of information gained through their position as a Director;
- make reasonable enquiries to ensure that Kip McGrath Education Centres is operating efficiently, effectively and legally towards achieving its goals; and
- give due consideration to all proposals placed before the Board and keep all discretions unfettered.

Individual Directors, other than Executive Directors acting within the scope of their delegated authority, must not purport to bind Kip McGrath Education Centres unless expressly authorised to do so by the Board.

Directors must ensure that their delegates are reliable and competent and that adequate controls are in place to oversee the exercise of the delegated powers.

### 8.3 Conflicts of Interest and Related Party Transactions

A Director who has a material personal interest in a matter that relates to the affairs of Kip McGrath Education Centres must disclose that interest to the other Directors and should not participate in discussions at a meeting or vote on the matter unless permitted by the Corporations Act.

Directors must inform the Company Secretary of any related party transactions.

#### 8.4 Other Specific Disclosures

Any event or circumstance which may impact on the status of that Director as an independent Director or otherwise reflect on their capacity to serve should immediately be disclosed to the Chair.

All Directors must observe the requirements in the Securities Trading Policy.

#### 8.5 Access to Executive leadership Team

Directors should have access to the Chief Executive Officer, the Chief Financial Officer and the Company Secretary for the purposes of seeking information or asking questions.

Where appropriate, presentations should be made by executive leadership team members to Board members in respect of recurring issues of interest to the Board and on special items of interest, identified by the Board or by management, from time to time.

#### 8.6 Retirement of Directors

The Directors shall retire from office in accordance with the constitution of Kip McGrath Education Centres Limited and/or the applicable sections of the Corporations Act.

#### 8.7 Procedure for Independent Advice

In the event that any Director (as they consider necessary) wishes to take professional advice in relation to any aspect of performance of their duties as a Director the Director may do so at Kip McGrath Education Centre's expense, subject to prior consultation with the Chair. The Chair and the Company Secretary will assist in procuring that professional advice and, if appropriate, any advice so received will be made available to all Directors.

#### 8.8 Board discussions, deliberations and decisions

Directors must keep confidential Board discussions, deliberations and decisions which have not been publicly disclosed.

Confidential information received by Directors in the course of exercising their duties remains the property of Kip McGrath Education Centres.

### **9. Role of the Chair**

The Board will appoint one of its independent Non-executive Directors to be Chair.

The Chair is responsible for:

- leadership of the Board and representation of the Board to the Shareholders;
- chairing meetings of the Board and the efficient organisation and conduct of the Board's functions;
- taking such measures as are necessary to facilitate an effective contribution by all Directors;

- promoting a constructive relationship between Board members and management;
- approving Board agenda's and allocating appropriate time for discussion of all agenda items; and
- briefing all Directors in relation to issues arising at Board Meeting.

The Chair should review corporate governance matters with the Company Secretary and report on those matters to the Board.

The Chair will also be responsible for chairing general meetings of Shareholders.

## **10. Role of Company Secretary**

The Company Secretary should monitor compliance with Board policy and procedures and co-ordinate the completion and despatch of the Board agendas, supporting papers, minutes, communication with regulatory bodies and all statutory and other filings in a timely manner.

The Company Secretary is responsible for:

- in conjunction with the Chair, organising Board meetings;
- with input from the Chair and any other Director, preparing agendas;
- coordinating the preparation of Board papers; and
- organising Directors' attendances at Board and Committee meetings.

The Company Secretary is accountable to the Board, through the Chair, on all governance matters.

All Directors will have direct access to the Company Secretary.

## **11. Management**

### 11.1 General

Management, through the Board's delegation of authority to the Chief Executive Officer, is responsible for the day-to-day management of the business and operations of Kip McGrath Education Centres.

Management should supply the Board with such information as is reasonably necessary to assist the Board in discharging its duties.

### 11.2 Role of the Chief Executive Officer

The Board has delegated authority to the Chief Executive Officer for the business and affairs of Kip McGrath Education Centres. That delegation is subject to and limited by, the terms of this Charter including matters reserved for decision by the Board in accordance with section 7 and any specific limitations on authority imposed by the Board from time to time.



The responsibilities of the Chief Executive Officer should be stated in an agreed job description.

The Chief Executive Officer is responsible for making recommendations and reporting to the Board regarding the development of strategies for and the management and performance of the business and operations of Kip McGrath Education Centres.

The Chief Executive Officer is responsible for managing Kip McGrath Education Centres in accordance with the strategy, business plans and policies approved by the Board.

The Chief Executive Officer must ensure that Kip McGrath Education Centre's financial reports present a true and fair view of Kip McGrath Education Centre's financial condition and operational results and are in accordance with the relevant accounting standards. On presentation of financial reports for approval by the Board the Chief Executive Officer should state in writing to the Board that:

- the financial reports comply with the requirements of this paragraph;
- the statement given in relation to the integrity of financial statements is founded on a system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- Kip McGrath Education Centre's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting.

The Chief Executive Officer must consult with the Chair and with the Board regarding matters which the Chief Executive Officer considers are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board regardless of value.

The Chief Executive Officer may sub-delegate their functions to executive management of Kip McGrath Education Centres subject to existing Board policies and legal requirements that limit that power of sub- delegation.

### 11.3 Role of the Chief Financial Officer

The responsibilities and authority limits of the Chief Financial Officer should be stated in an agreed job description.

The Chief Financial Officer, in conjunction with the Chief Executive Officer, is responsible for ensuring that Kip McGrath Education Centre's financial reports present a true and fair view of Kip McGrath Education Centre's financial condition and operational results and are in accordance with the relevant accounting standards. On presentation of financial reports for approval by the Board the Chief Financial Officer should state in writing to the Board that:

- the financial reports comply with the requirements of this paragraph;
- the statement given in relation to the integrity of financial statements is founded on a system of risk management and internal compliance and control which implements the policies adopted by the Board; and

– Kip McGrath Education Centre’s risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks.

The Chief Financial Officer must consult with the Chief Executive Officer, the Chief Executive Officer, the Chair and with the Board regarding matters which the Chief Financial Officer considers are of such a sensitive or extraordinary or strategic nature as to warrant the attention of the Board regardless of value.

The Chief Financial Officer will attend meetings of the Board by invitation and otherwise be available to Directors who wish to seek information or ask questions in relation to the affairs of Kip McGrath Education Centres.