

EUREKA GROUP HOLDINGS LIMITED

Board Charter

1 Purpose of this charter

The Board is responsible for the good governance of the Company. The purpose of this charter is to specify how the Company is governed so as to promote confidence in the Company and to seek to protect the long term interests of shareholders as a whole. This charter sets out the roles and responsibilities of the Board and management, which responsibilities are delegated to committees of the Board or to management, as well as guidance relating to the membership and the operation of the Board.

2 Role and responsibilities of the Board

2.1 Role

The role of the Board is to provide leadership, strategic guidance and oversight of management for the Company.

The Board has reserved to itself the following specific responsibilities.

2.2 Strategy

The Board is responsible for:

- (a) providing leadership and setting strategic objectives for the Company;
- (b) appointing the Chair and deputy Chair;
- (c) reviewing and approving strategy plans and performance objectives of the Company consistent with the strategic objectives of the Company; and
- (d) monitoring management's implementation of the Company's strategic objectives and the Company's overall performance.

2.3 Oversight of management

The Board is responsible for:

- (a) appointing, evaluating and if necessary replacing, the Chief Executive Officer ("CEO") and the Company Secretary
- (b) approving the appointment, and if necessary replacement, of other senior executives;
- (c) approving succession plans for key individuals;
- (d) monitoring senior executives' performance and implementation of the Company's strategic objectives against measurable and qualitative indicators, and ensuring that appropriate resources are available;
- (e) approving the Company's remuneration framework, policies and practices;

- (f) providing advice and counsel to management; and
- (g) requiring that management supplies the Board with accurate, timely and clear information to enable the Board to perform its responsibilities.

2.4 Security holders

The Board is responsible for effective engagement with security holders and providing them with appropriate information and facilities to allow them to exercise their rights as security holders effectively. This includes:

- (a) giving ready access to information about the Company and its governance on its website;
- (b) communicating openly with security holders, including by electronic means and through an investor relations program;
- (c) convening meetings of security holders; and
- (d) encouraging and facilitating the participation of security holders in meetings.

2.5 Other stakeholders

The Board is responsible for establishing and monitoring:

- (a) policies governing the Company's relationship with other stakeholders, such as residents and their families, and the broader community; and
- (b) to the extent relevant, policies relating to environmental, employment, occupational, health and safety, social responsibility, sustainable development and other matters.

2.6 Ethics and responsible decision-making

The Board is responsible for:

- (a) promoting ethical and responsible decision-making and charging management with the responsibility for creating a culture in the Company of ethical and responsible behaviour, including:
 - (i) acting in the best interests of the Company;
 - (ii) acting with high standards of personal integrity;
 - (iii) complying with applicable laws, regulations, codes and policies; and
 - (iv) not knowingly participating in any illegal or unethical activity;
- (b) establishing, monitoring and promoting a code of conduct and related policies to guide the directors, management and employees in practices necessary to maintain confidence in the Company's integrity (including encouraging the reporting of unlawful or unethical behaviour and protecting whistleblowers who report violations in good faith);
- (c) monitoring the effectiveness of the Company's governance practices and accountability for contraventions; and

- (d) establishing, monitoring and promoting a diversity policy to outline the Company's commitment to diversity and inclusion in the workplace and setting out a framework to achieve the Company's diversity goals.

2.7 Oversight of financial and capital management

The Board is responsible for:

- (a) monitoring the integrity of the Company's accounting and corporate reporting systems (including the external audit) and requiring that financial records are properly maintained and financial statements comply with appropriate accounting standards;
- (b) reviewing and approving annual and half-yearly financial reports, having regard to, among other things, the information the directors know about the Company;
- (c) monitoring financial results on an ongoing basis;
- (d) approving and monitoring operating budgets, major capital expenditure, major acquisitions and divestitures and material commitments;
- (e) capital management including approving decisions affecting the capital of the Company, capital structure and major financing arrangements; and
- (f) determining the dividend policy of the Company and the details for the payment of dividends.

2.8 Risk management and compliance

The Board is responsible for:

- (a) identifying, analysing and evaluating material risk for the Company on an ongoing basis;
- (b) setting risk appetite guidance within which the Board expects management to operate (including the nature and extent of risks that can be taken to meet objectives) and monitoring the Company's operations within that guidance;
- (c) approving a risk management framework designed by management for the Company to identify, analyse, evaluate and manage risk, and monitoring that the framework is operating effectively;
- (d) approving systems designed by management for the purpose of internal compliance, risk management and control, and systems of legal compliance that govern the operations of the Company, and monitoring that they are operating effectively; and
- (e) approving the statement in the directors' report on the main internal and external risk sources that could adversely affect the Company's prospects for future financial years (as required by the Corporations Act)

2.9 Disclosure and communication

The Board is responsible for overseeing and reviewing the Company's compliance with its disclosure obligations.

3 Role and responsibilities of Chair and company secretary

3.1 Chair

The Chair is appointed by the Board. The Chair should not be the same person as the CEO. The Chair is responsible for:

- (a) chairing Board and shareholder meetings, setting the Board's agenda and seeking to ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (b) seeking to ensure that directors are briefed on Board matters and leading the Board in reviewing and discussing Board matters;
- (c) seeking to facilitate effective contribution by all directors and monitoring Board performance;
- (d) seeking to promote constructive and respectful relations between Board members and between the Board and management;
- (e) seeking to encourage independent directors to meet separately (eg annually) to consider, among other things, senior executive performance;
- (f) seeking to achieve the objective that membership of the Board is skilled and appropriate for the Company's needs; and
- (g) monitoring the role of the company secretary.

3.2 Company secretary

The company secretary acts as secretary of the Board, attending meetings of the Board and its committees. The company secretary is accountable directly to the Board, through the Chair, on matters to do with the proper functioning of the Board. In addition to responsibilities under the Corporations Act, the Company's constitution, and matters specifically delegated, the company secretary acts as chief administrative officer. The company secretary's responsibilities include:

- (a) organising Board and committee meetings, director attendance, draft notices of meetings and resolutions for approval, and coordinating the dispatch of Board and committee meeting papers;
- (b) capturing the business of Board and committee meetings in the minutes, and circulating minutes from committee meetings to the Board, and
- (c) seeking to ensure that the Company complies with its requirements under the Corporations Act regarding its registered office, annual returns and notices to be lodged with the Australian Securities and Investments Commission and Australian Securities Exchange.

4 Delegations of authority

4.1 Delegation to committees

Under the Company's constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.

Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committees. There are currently 2 standing

committees:

- Audit and Risk Committee; and
- Nomination and Remuneration Committee.

The Board may establish other committees from time to time to consider other matters of special importance.

Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The Chair of each committee will report on committee meetings to the Board at the next full Board meeting.

4.2 Delegation to the CEO and management

The Board delegates to the CEO the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those reserved to the Board and its committees under their charters or under specific limitation or guidance from the Board.

The CEO has authority to delegate to other members of the senior management team who are responsible for:

- (a) implementing the strategic objectives of, and operating within the risk appetite set by, the Board and for all other aspects of the day-to-day running of the Company; and
- (b) providing the Board with information to enable the Board to perform its responsibilities.

From time to time the Board may review the division of functions between the Board and management so that it continues to be appropriate to the needs of the Company.

5 Membership

5.1 Composition and size

The Board currently consists of 3 Non-Executive Directors of whom one is an independent director.

The directors will determine the size of the Board, subject to the Company's constitution and applicable law, including the rules concerning board limits under the Corporations Act. The Company's constitution provides that there can be no less than 3 directors. The number of directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making and adequately discharge its responsibilities and duties. At the time of last reviewing this Charter, the Board resolved that 5 directors are the appropriate number for the time being. However, the Board plans to seek approval from the shareholders at the next shareholder meeting to increase the pool of non-executive director fees so as to enable the Board to appoint additional non-executive directors to support the growth of the business

5.2 Board skills matrix

The Company seeks to have directors with an appropriate range of skills, knowledge, experience, independence and diversity, and an understanding of and competence to deal with current and emerging issues of the business. It has adopted a Board skills matrix setting out the skills and diversity that the Board has or is looking for in order to identify any gaps in skills that the Board seeks. The Company's succession plans are designed to maintain an appropriate balance of skills, knowledge, experience, independence and diversity on the Board.

5.3 Appointment and re-election of directors

The process of selection and appointment of new directors to the Board is that when a vacancy arises, the Nomination and Remuneration Committee identifies candidates with appropriate skills, knowledge, experience, independence and expertise. Candidates with the skills, knowledge, experience, independence and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with the Company's constitution, but must stand for election by shareholders at the next annual general meeting.

Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. The CEO and other senior management will have their roles and responsibilities and the Company's expectations set out in a service contract. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

Directors must retire from office in accordance with the constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chair of the Board will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). The Board (excluding the Chair) will conduct the review of the Chair.

5.4 Independence

All directors - whether independent or not - should bring an independent judgement to bear on all Board decisions.

A director is considered an independent director if he or she is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders.

A director who:

- (a) is, or has been, employed in an executive capacity by the Company or any group member and there has not been a period of at least 3 years between ceasing that employment and serving on the Board;
- (b) is, or has within the last 3 years been, a partner, director or senior employee of a provider of material professional services to the Company or any group member;
- (c) is, or has been within the last 3 years, in a material business relationship (eg as a supplier or customer) with the Company or any group member, or an officer of, or otherwise associated with, someone with such a relationship;
- (d) is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- (e) has a material contractual relationship with the Company or another group member other than as a director;
- (f) has close family ties with any person who falls within any of the categories described above; or
- (g) has been a director of the Company for such a period that his or her independence

may have been compromised,

will not be independent, unless the Board is satisfied on reasonable grounds that the director is independent despite the existence of 1 or more of these circumstances. In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

The Nomination and Remuneration Committee will assess the independence of each non-executive director in light of interests disclosed by them at least annually at or around the time that the Nomination and Remuneration Committee considers candidates for election to the Board. Each non-executive director must provide the Board with all relevant information for this assessment. If a non-executive director's interests, positions, associations or relationships change, the assessment should be made as soon as practicable after the Nomination and Remuneration Committee becomes aware of the change.

6 Conduct of individual directors

6.1 Duties

Directors must at all times act in accordance with legal and statutory requirements, and devote sufficient time to discharge their duties as directors of the Company. Directors must:

- (a) discharge their duties in good faith and in the best interests of the Company and for a proper purpose, adhering to the standards of behavior in the Company's Code of Conduct;
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company, including applying an independent and enquiring mind to their responsibilities;
- (c) notify other directors of their material personal interests and take reasonable steps to avoid actual, potential or perceived conflicts of interest (except as permitted by the Corporations Act) (see section 6.2 for more on conflicts);
- (d) not make improper use of information gained through their position as a director;
- (e) not take improper advantage of their position as a director;
- (f) make reasonable enquiries if relying on information or advice provided by others;
- (g) undertake any necessary inquiries in respect of identifying suitable delegates for particular functions;
- (h) give the Company or ASX Limited all the information required by the Corporations Act;
- (i) not allow the Company to engage in insolvent trading; and
- (j) consult the Chair if considering an invitation to become a director of any other company (except a related body corporate) and have regard to the views of the Chair about the director acting as a director of an external entity, and relevant Board policies and best practice standards on multiple directorships.

6.2 Dealing with Conflicts of Interest

Directors:

- (a) must disclose to the Board any actual or potential conflicts of interest (including any material personal interest in a matter that relates to the affairs of Eureka) including matters which a reasonable third party would perceive as creating a conflict of interest, as soon as they become aware of the matter;
- (b) must absent themselves Board discussions on the matter the subject of the conflict, unless the other directors (in the absence of the interested director) resolve the director in question may participate in the discussion;
- (c) cannot vote on the matter unless the other directors (in the absence of the interested director) resolve that the director in question can vote; and
- (d) may be excluded from access to sections or board papers and Board minutes in relation to the matter in question.

7 Board process

7.1 Meetings

All Board meetings will be conducted in accordance with the Company's constitution and the Corporations Act. Directors are committed to collective decision making, but have an individual duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.

Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

Directors are expected to prepare adequately for, attend and participate in Board meetings. Directors should consider the sufficiency of the contents of the board papers that they have been provided for consideration. The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.

Non-executive directors will periodically meet without executive directors or management present.

The Board may request or invite management or external consultants to attend Board meetings if necessary or desirable.

The Board may conduct meetings by telephone, video conference or other electronic means.

7.2 Independent professional advice

Following consultation with the Chair, directors may seek independent professional advice at the Company's expense. Generally, this advice will be made available to all directors if the Chair considers the advice relevant for them to discharge their responsibilities as directors.

7.3 Access to management

The directors have complete and open access to management following consultation with the Chair and CEO.

7.4 Notice, agenda and documents

Unless otherwise agreed or considered necessary by the Chair, notice of each meeting confirming the venue, date and time together with an agenda of items to be discussed and supporting documentation, will be circulated by the company secretary to each Board member and any other

individual invited to attend, not less than five business days before the meeting.

8 Board's performance evaluation

The Board recognises the importance of regular reviews of its effectiveness and performance. Periodically the Board will review and evaluate:

- (a) its own performance, including against the requirements of this charter;
- (b) the performance of its committees;
- (c) the performance of individual Directors; and
- (d) the performance of its senior executives,

against both measurable and qualitative indicators. The Company will disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

9 Review and publication of charter

The Board is responsible for reviewing this charter and the division of functions and responsibilities in the Company to determine its appropriateness to the needs of the Company annually. The charter may be amended by resolution of the Board. The charter is available on the Company's website and the key features may be published in the annual report or a link to the governance section of the website provided.

Last reviewed by the Board on 21 August 2017