



Board charter

QANTM Intellectual Property Limited ACN 612 441 326
(Company)

—

Board charter

QANTM Intellectual Property Limited

| | | |
|------------|--|-----------|
| 1. | Introduction | 3 |
| 2. | Board size, composition and independence | 3 |
| 3. | The Board's role and responsibilities | 4 |
| 4. | Board Committees | 5 |
| 5. | Nominations | 5 |
| 6. | Performance of directors | 6 |
| 7. | Chairperson of the Board | 6 |
| 8. | Company Secretary | 7 |
| 9. | CEO and Managing Director and executive team | 7 |
| 10. | Directors | 8 |
| 11. | Non-executive directors | 8 |
| 12. | Conflicts | 8 |
| 13. | Access to information and independent advice by directors | 9 |
| 14. | Board meeting agenda and documents | 9 |
| 15. | Retirement of directors | 9 |
| 16. | Codes of conduct | 10 |
| 17. | Investor Relations | 10 |
| 18. | Review of Board performance | 10 |
| 19. | Approved and adopted | 10 |

Board charter

1. Introduction

- 1.1 QANTM Intellectual Property Limited ACN 612 441 326 (**Company**) is a listed public company.
- 1.2 The board of the Company (**Board**) is responsible for the corporate governance of the Company and its related bodies corporate (**Group**).
- 1.3 The purpose of this charter is to:
- (a) promote high standards of corporate governance aimed at creating and protecting shareholder value;
 - (b) clarify the role and responsibilities of the Board; and
 - (c) enable the Board to provide strategic guidance for the Group and effective management oversight.
- 1.4 This charter is supported by the Code of Conduct for directors and senior executives, the charters of the People, Remuneration and Culture Committee and the Audit, Risk and Compliance Committee, the Share Trading Policy and the Market Disclosure Protocol.
- 1.5 For the purpose of this charter, **senior executives** include all officers and employees who have the opportunity to materially influence the integrity, strategy and operation of the Company and its financial performance, including the principals of a legal, patent or trade mark practice owned or operated by the Company.
- 1.6 The Company endorses the ASX Corporate Governance Recommendations.

2. Board size, composition and independence

- 2.1 There must be a minimum of 3 directors and may only be a maximum of 7 directors.
- 2.2 The Board should ideally comprise:
- (a) a majority of independent non-executive directors;
 - (b) directors with an appropriate range of skills, experience and expertise;
 - (c) directors who can understand and competently deal with current and emerging business issues; and
 - (d) directors who can effectively review and challenge the performance of management and exercise independent judgment.
- 2.3 An independent non-executive director is one who:
- (a) is independent of management;
 - (b) 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 unfettered and independent judgment; and
 - (c) otherwise meets the criteria for independence set out in the *Principles of Good Corporate Governance and Best Practice Recommendations* published by the ASX Corporate Governance Council.
- 2.4 The Board has formulated various criteria to determine the independence of directors.

- 2.5 The Board should regularly assess whether each non-executive director is independent and each non-executive director should provide to the Board all information relevant to his or her independence assessment.
- 2.6 If a director's independence status changes, the change and the reasons for the change should be immediately disclosed to the Board and explained to the market.
- 2.7 While the Company will aim to have a majority of independent non-executive directors, this may not always be practicable given the size of the Board and the circumstances of the Group, including the nature of the Group's business. Accordingly, the directors have absolute discretion to determine the appropriate composition of the Board from time to time.
- 2.8 Each director is appointed by a formal letter of appointment setting out the key terms and conditions of their appointment to confirm that each director clearly understands the Company's expectations of him or her.

3. The Board's role and responsibilities

- 3.1 The Board acts in the best interests of the Company as a whole and is accountable to shareholders for the overall direction, management and corporate governance of the Company and the Group.
- 3.2 The Board is responsible for:
- (a) overseeing the Group, including its control and accountability systems;
 - (b) appointing and removing the CEO/ Managing Director (hereafter titled Managing Director for the purposes of this Charter);
 - (c) monitoring the performance of the Managing Director;
 - (d) where appropriate, ratifying the appointment and removal of senior executives;
 - (e) approving organisational changes and the Company's remuneration framework;
 - (f) approving succession plans for management;
 - (g) regularly reviewing senior executives' performance and implementation of strategy against measurable and qualitative indicators decided by the Board and ensuring that appropriate resources are available for that process;
 - (h) reporting to shareholders;
 - (i) providing strategic advice to management;
 - (j) approving management's corporate strategy and performance objectives;
 - (k) approving operating budgets and major capital expenditure and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
 - (l) overseeing the integrity of the Company's accounting and corporate reporting systems (including the external audit) and monitoring financial and other reporting;
 - (m) setting the risk appetite for the Company;
 - (n) confirming the Company has in place appropriate frameworks for risk management, internal compliance and control, legal and regulatory compliance and confirming that appropriate compliance frameworks and controls are in place within the risk appetite within which the Board expects management to operate;
 - (o) reviewing and overseeing the implementation of the code of conduct for directors, senior executives and all other employees;
 - (p) approving charters of Board committees;
 - (q) referrals of matters to Board committees
 - (r) ensuring that all relevant matters are included in the Board agenda;

- (s) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (t) monitoring and procuring compliance with legal and regulatory requirements and ethical standards and policies; and
- (u) monitoring and procuring compliance with best practice corporate governance requirements.

3.3 The Board has delegated to the Managing Director 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 responsibilities reserved to it in this Charter. The Board may impose further specific limits on delegations to the Managing Director. Those delegations of authority will be reviewed by the Board as appropriate.

4. Appointment of Principals

- 4.1 In this clause Principal means a principal of a legal, patent or trade mark practice owned or operated by the Company (each a **Practice**).
- 4.2 A candidate seeking to become a Principal must first have his or her candidacy nominated to the Committee by a 75% vote in favour of the nomination by all the existing Principals of the relevant Practice.
- 4.3 A candidate becomes a Principal on the approval of his or her candidacy by a majority of votes of all members of the Committee eligible to vote on the matter.

5. Board Committees

- 5.1 The Board may delegate matters for consideration to committees for report and advice back to the Board.
- 5.2 The Board has established the following committees to assist it in carrying out its responsibilities, to undertake and share work and to consider certain issues and functions in detail:
 - (a) Audit, Risk and Compliance Committee; and
 - (b) People, Remuneration and Culture Committee.
- 5.3 The charter or terms of reference of every Board committee setting out matters relevant to the composition, responsibilities and administration of the committee must be approved by the Board. Each committee will review its charter from time to time as appropriate. The Board may establish other committees to consider other matters of special importance.
- 5.4 Directors are entitled to attend committee meetings and receive committee papers.
- 5.5 The Chairman of each committee will report back to the Board at the next Board meeting.

6. Nominations

The Board is responsible for:

- (a) identifying and recommending to the Board candidates for the Board including the Managing Director;
- (b) identifying and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing the extent to which those competencies and characteristics are represented on the Board;
- (c) establishing processes for identifying suitable candidates for appointment to the Board to facilitate an appropriate mix of expertise, experience and to support succession of the Board;

- (d) prepare, review and update on a regular basis director's education and skills enhancement program;
- (e) ensuring that succession plans for Board and senior executives are in place. A report on these plans is to be prepared and submitted to the Board at least once per year; and
- (f) recommending the removal of directors.

7. Performance of directors

7.1 The Board is responsible for:

- (a) annually reviewing the performance of the Managing Director;
- (b) establishing processes for evaluating the performance of the Board, both collectively and individually;
- (c) annually evaluating the performance of the Board, both collectively and individually;
- (d) annually assessing the skills of the Board to ensure that the Board maintains a sufficient number of directors with an appropriate skills mix;
- (e) regularly reviewing the time required from non-executive directors to perform their functions and assessing whether they are satisfying time requirements; and
- (f) developing and ensuring the implementation of continuing education programmes for directors.

7.2 A member of the Board must not preside over any review or assessment of their own performance.

8. Chairman of the Board

8.1 The Chairman of the Board:

- (a) is appointed by the directors;
- (b) must be an independent non-executive director; and
- (c) may not be the same person as the Managing Director.

8.2 The division of the responsibilities of the Chairman of the Board and the Managing Director have been agreed by the Board and are set out in this Charter.

8.3 The responsibilities of the Chairman of the Board include:

- (a) providing leadership to the Board and the Group;
- (b) promoting the efficient organisation and conduct of the Board's functions;
- (c) confirming that the Board has an effective composition, size, skills mix and commitment to adequately discharge its responsibilities and duties;
- (d) ensuring annual evaluation of the performance of the Board;
- (e) facilitating Board discussions to ensure that core issues facing the Group are addressed and that the Board considers and adopts strategies designed to meet present and future needs of the Group;
- (f) briefing all directors in relation to issues arising at Board meetings;
- (g) facilitating the effective contribution and ongoing development of all directors;
- (h) promoting constructive and respectful relations between Board members and between the Board and management;
- (i) procuring that the Board regularly meets to consider the Group's performance and key issues facing it;
- (j) setting the agenda for the Board meetings after consulting with Managing Director and other directors where appropriate;

- (k) mentoring and regularly meeting with the Managing Director;
- (l) chairing Board meetings; and
- (m) chairing general meetings.

9. Company Secretary

- 9.1 The Company Secretary acts as secretary of the Board, attending all meetings of the Board as required. The Company Secretary is accountable to the Board through the Chairman on all corporate governance matters. It is understood that the Company Secretary may also be accountable on other matters to the Managing Director
- 9.2 The Company Secretary is responsible for:
- (a) organising Board meetings and director attendance including coordinating an agreed annual calendar;
 - (b) monitoring and reporting to the Board on compliance with Board policy and procedures;
 - (c) coordinating the completion and dispatch of the Board agenda and briefing materials;
 - (d) preparing draft minutes of meetings and draft resolutions of the Board and taking these to the Chairman for initial approval and circulation to the Board;
 - (e) circulating minutes from committee meetings to the Board; and
 - (f) procuring that the Company complies with its requirements under the *Corporations Act* including regarding registered office, annual returns and ensuring all notices are lodged with the Australian Securities and Investments Commission.

10. Managing Director

- 10.1 Responsibility for day to day management and administration of the Group is delegated by the Board to the Managing Director.
- 10.2 The Managing Director will manage the Group in accordance with the strategy, plans and policies approved by the Board.
- 10.3 The Managing Director is appointed by the Board.
- 10.4 The Managing Director may not be the same person as the Chairman.
- 10.5 The responsibilities of the Managing Director include:
- (a) developing and recommending to the Board strategies, business plans and annual budgets for the Group;
 - (b) implementing the strategies, business plans and budgets adopted by the Board;
 - (c) providing effective leadership, direction and supervision of the executive team to achieve the strategies, business plans and budgets adopted by the Board;
 - (d) developing and managing resources, policies and systems to facilitate the effective operation of the Group (including developing and implementing policies on risk management, internal controls and human resources);
 - (e) managing resources within budgets approved by the Board;
 - (f) procuring compliance with applicable laws and regulations;
 - (g) procuring the Board is given sufficient information within a reasonable time to enable the Board to perform its functions, set strategies and monitor performance;
 - (h) being accountable for the actions of the executive team
 - (i) reporting to the Board; and
 - (j) acting within authority delegated by the Board.

- 10.6 The Board has in place procedures to assess the performance of the Managing Director and executive team.

11. Directors

- 11.1 Directors are expected to attend and participate in Board meetings and meetings of committees on which they serve.
- 11.2 Directors are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 11.3 Directors are expected to review meeting materials before Board meetings and committee meetings.
- 11.4 Directors are encouraged to ask questions, request information, and raise any issue of concern with management. Directors are encouraged, where possible, to ask any questions and raise issues of concern before a meeting so that management is prepared to address them. Where the Board has developed a procedure for seeking information from management, directors will comply with that procedure.
- 11.5 Directors must exercise independent judgment when making decisions.
- 11.6 Directors are encouraged to ask questions, request information and raise any issue of concern with committees, the auditor and other directors.
- 11.7 Publicly, directors are expected to support the letter and spirit of Board decisions.
- 11.8 Directors must keep Board information, discussions, deliberations, and decisions that are not publicly known, confidential. Directors must keep Company information confidential.
- 11.9 Directors must comply with their legal duties when discharging their responsibilities as directors. Broadly, these duties are:
- (a) to act in good faith and in the best interests of the Company; and
 - (b) to act with care and diligence;
 - (c) to act for proper purposes;
 - (d) to avoid a conflict of interest or duty; and
 - (e) to refrain from making improper use of information gained through the position of director or taking improper advantage of the position of director.

12. Non-executive directors

- 12.1 Non-executive directors should consider the benefits of conferring regularly without management present, including at scheduled sessions.
- 12.2 These discussions of non-executive directors can be facilitated by the Chairman.

13. Conflicts

- 13.1 Directors are expected to be sensitive to actual and perceived conflicts of interest or duty that may arise and be mindful of their fiduciary obligations.
- 13.2 Directors must:
- (a) disclose to the Board any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;

- (b) respond to any concerns raised by the Board to any actual or potential conflict of interest or duty;
 - (c) take all necessary and reasonable actions including implementing any actions recommended by the Board to resolve, manage or avoid any actual or potential conflict of interest or duty; and
 - (d) comply with the *Corporations Act 2001* (Cth) and the Company's constitution in relation to disclosing material personal interests and restrictions on voting.
- 13.3 If a conflict exists, it is expected that any director to whom the conflict relates will leave the room when the Board is discussing any matter to which the conflict relates.
- 13.4 Directors are expected to inform the Chairman of the Board of any proposed appointment to another board or as an executive of another company as soon as practicable. Where the Board considers that the proposed appointment might give rise to a conflict of interest or detract from the time required of the director to discharge their duties to the Company, the director shall consider any recommendations of the Board including reviewing their position on the Board in light of the proposed appointment.

14. Access to information and independent advice by directors

- 14.1 Directors have access any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.
- 14.2 Directors have access to:
- (a) management to seek explanations and information from management subject to compliance with Board policies (if any) on requesting information; and
 - (b) auditors, both internal and external, to seek explanations and information from them including, without management being present.
- 14.3 Directors may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions subject to complying with the procedure agreed by the directors.
- 14.4 If the Chairman or alternatively two thirds of the non executive directors consent, the Company will pay the costs of a director seeking independent professional advice. Where the Chairman wishes to seek independent professional advice, the Company will pay the costs of the Chairman seeking independent professional advice where the Chairman of Audit, Risk and Compliance Committee or alternatively two thirds of the non-executive directors consent. Any consent may not be unreasonably withheld or delayed. Generally, this advice will be made available to all directors, unless it is personal to the issues of a director or a group of directors and subject to maintaining any legal professional privilege that may exist in that advice.

15. Board meeting agenda and documents

Unless otherwise agreed or considered reasonably necessary by the Chairman, 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 (5) business days before the meeting.

16. Retirement of directors

- 16.1 In accordance with the Constitution of the Company, one-third of the directors (to the nearest whole number) must retire at each annual general meeting. Retiring directors may seek re-election.
- 16.2 A director must retire at the end of the third annual general meeting after the director's

appointment even if it means that more than one-third of directors retire at an annual general meeting.

- 16.3 Those directors who have been longest in office since their last appointment must retire by rotation. Directors appointed on the same day may agree among themselves or determine by lot who must retire.
- 16.4 The Managing Director or a director appointed to fill a casual vacancy or as an addition to the Board is not subject to retirement by rotation and is not taken into account when determining how many directors must retire by rotation. A director appointed to fill a casual vacancy or as an addition to the Board must retire at the next annual general meeting after their appointment.

17. Codes of conduct

- 17.1 The Group has adopted a corporate code of conduct setting out its legal and other obligations to all legitimate stakeholders including employees, customers and the community.
- 17.2 The Group has adopted a code of conduct for directors, senior executives and all other employees setting out required standards of behaviour. This code of conduct is to be observed by all persons.
- 17.3 Each director, officer and employee will be provided with and must comply with the code of conduct applicable to their position when joining the Group.

18. Investor Relations

- 18.1 The Board will:
- (a) establish an investor relations program designed to promote effective communication with shareholders;
 - (b) give shareholders ready access to balanced and understandable information about the Group and its corporate goals; and
 - (c) make it easy for shareholders to participate in general meetings.
- 18.2 The Board has adopted a communications strategy to facilitate and promote effective communication with shareholders and encourage participation at general meetings.

19. Review of Board performance

The Board will annually review:

- (a) the Board's role;
- (b) the processes of the Board and Board committees;
- (c) the Board's performance; and
- (d) each director's performance before the director stands for re-election.

20. Approved and adopted

This charter has been approved and adopted by the Board.

Date Approved: 06 October 2016