

# BEYOND SPORTSWEAR INTERNATIONAL LIMITED

ACN 108 042 593

(the Company)

## BOARD CHARTER

### Introduction

The Board has adopted this Board Charter to set out details of the functions and responsibilities of the Board and those matters which are delegated to management.

The Charter:

- enables the Board to provide strategic guidance for Beyond Sportswear International and to effectively oversee management;
- clarifies the respective roles and responsibilities of Directors and management in order to facilitate Board and management accountability; and
- ensures a healthy balance of authority so that no single individual has unfettered powers.

In carrying out its responsibilities and powers the Board will act honestly, fairly, diligently and in accordance with the law in serving the interests of Beyond Sportswear International's shareholders, employees, customers, venturers, suppliers, financiers and creditors. The Board will work to promote and maintain an environment within Beyond Sportswear International that establishes these principles as basic guidelines for all of its Directors, employees and representatives at all times.

### 1. Role of the Board

The Board is accountable to shareholders and other stakeholders for the performance of Beyond Sportswear International. It is responsible for the overall corporate governance of Beyond Sportswear International including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

In performing its responsibilities the Board will act in accordance with the Directors' Code of Conduct:

- a. in the best interests of Beyond Sportswear International;
- b. honesty, fairly and diligently;
- c. in a manner which enhances sustainable value for shareholders; and
- d. in accordance with the duties and obligations imposed upon it by Beyond Sportswear International's constitution and the law.

## **2. Membership**

- a. The Board determines its size within the limits provided in Beyond Sportswear International's constitution. Beyond Sportswear International's constitution provides for a minimum of 3 Directors and a maximum of 10 Directors. The size of the Board is reviewed annually.
- b. The Board will be structured to ensure that it consists of Directors who can add value in the context of Beyond Sportswear International's business. The Board should include an appropriate number of Directors who satisfy the criteria for independence set out in Beyond Sportswear International's Policy on Independence of Directors.
- c. The Board should comprise a majority of Non-Executive Directors.
- d. Although the shareholders appoint Directors, the Board will seek to ensure that the Directors have a broad range of experience and expertise and have (or can develop) a thorough understanding of the business conducted by Beyond Sportswear International.
- e. The Board will appoint as its chairperson, one of the Non-Executive Directors who satisfies the criteria for independence set in Beyond Sportswear International's Policy on Independence of Directors.

## **3. Meetings**

- a. Board meetings will be conducted in accordance with Beyond Sportswear International's constitution.
- b. Board and committee papers will be provided to Directors at least four business days before the relevant meeting other than for meetings called urgently.
- c. Board and committee papers will contain sufficient information to enable Directors to be properly informed on the matters to be considered at the forthcoming Board and committee meetings.
- d. Board meetings will be held at least 6 times each year.
- e. The Non-Executive Directors are to meet at least twice each year to privately discuss management issues. These meetings are not required to be formal or minuted.
- f. The quorum for Board meetings will be two thirds of Board members other than in matters where one or more Directors is not entitled to vote and then the quorum will be one half of Board members.
- g. The minutes of Board meetings will be confirmed at the next meeting and signed by the Chairman.
- h. The Chairman will have a casting vote.

## **4 Powers and Responsibilities**

### **4.1 Powers**

In addition to matters expressly required by law to be approved by the Board, the powers reserved for the Board are as follows:

- a. appointing the Managing Director and determining his or her terms and conditions of service;
- b. approving the appointment of direct reports to the Managing Director;
- c. any changes to the delegations by the Board;
- d. any matters in excess of the discretion that it delegates to the Managing Director and senior management in relation to business transactions, credit transactions, risk limits and expenditure;
- e. subject to the Corporations Act and the ASX Listing Rules the issue of any shares, options, equity instruments or other securities in Beyond Sportswear International;
- f. establishing of any incentive plan for Company officers and employees; and
- g. approving each of the following:
  - I. the budget and strategic plan – at least annually;
  - II. the remuneration and conditions of service including financial incentives for the direct reports to the Managing Director as recommended by the Managing Director and the Nomination and Remuneration Committee – at least annually;
  - III. significant changes to organisational structure and the appointment of senior officers as the Board may determine;
  - IV. the acquisition, establishment, disposal or cessation of any significant business of Beyond Sportswear International;
  - V. any public statements which reflect significant issues in relation to Beyond Sportswear International's policy or strategy; and
  - VI. compliance guidelines.

### **4.2 Responsibilities**

In addition to the matters expressly required by law, the Board has a specific responsibility to:

- a. establish Beyond Sportswear International's vision, mission, values and ethical standards;
- b. approve and oversee policies, strategies and financial objectives;
- c. monitor and assess management's performance in achieving any strategies and budgets approved by the Board;
- d. monitor the financial performance of Beyond Sportswear International;

- e. set criteria for, and evaluate at least annually, the performance of the Managing Director;
- f. review on a regular and continuing basis:
  - I. succession planning for Directors and the Managing Director; and
  - II. professional development activities for Directors and the Managing Director.
- g. delegate an appropriate level of authority to management and in particular the Managing Director;
- h. appoint the members of the Audit Committee and Nomination and Remuneration Committee;
- i. recommend auditors for consideration by shareholders;
- j. develop and implement best practice corporate governance standards;
- k. monitor compliance with regulatory requirements and ethical standards;
- l. recommend appointments and review the performance of Directors;
- m. oversee the risk management strategy and monitor business risks;
- n. ensure effective internal control systems;
- o. provide effective communication on Beyond Sportswear International's financial position, trading performance and prospects to all stakeholders, in particular trading members, shareholders, suppliers and staff; and
- p. approve annual accounts, reports and other public documents.

## **5. Board Committees**

The Board may from time to time establish committees to assist it in carrying out its responsibilities. For each of those committees, the Board will adopt charters setting out matters relevant to the composition, responsibilities and administration, and other matters that the Board may consider appropriate.

The Board has established an Audit Committee and a Nomination and Remuneration Committee and has adopted charters setting out matters relevant to the composition, responsibilities and administration of those committees.

## **6. Professional Development**

The Board will provide an induction process for new Directors and an ongoing professional development program for all Directors.

## **7. Performance Evaluation**

7.1 Each year the Board will evaluate itself and individual Directors with the assistance of the Nomination and Remuneration Committee. The evaluation will:

- a. Compare the Board's performance with the requirements of this Charter;
- b. set the goals and objectives of the Board for the upcoming year; and
- c. provide any improvements to the Board Charter that are necessary or desirable.

7.2 The performance evaluation is conducted as the Board decides is appropriate.

7.3 The Board has approved a process for Performance Evaluation of its members and key executives.

**ADOPTED BY THE BOARD: 8 APRIL, 2004**

**REVIEWED AND UPDATED BY THE BOARD: NOVEMBER, 2008**