

Board Charter

Aerometrex Ltd
ACN 153 103 925

Document

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BOARD CHARTER

Introduction

Aerometrex Limited, Australian Company Number 153 103 925, is a registered company under the Corporations Act 2001 and is taken to be registered in South Australia.

The company is limited by shares.

The company is a public company.

The day of commencement of registration is the seventh day of September 2011.

This document outlines Aerometrex Ltd's (Aerometrex) corporate governance policy in the form of a Board Charter, which is a written policy document that defines the respective roles, responsibilities and authorities of the board, both individually and collectively, and of management in setting the direction, management and control of the organisation. As such, it establishes the guidelines within which the directors and officers are to operate as they carry out their respective roles. The purpose of this charter is to document the policies upon which the board has decided to meet its legal and other responsibilities.

The charter is structured in accordance with the Corporate Governance Practice Framework and has five sections:

1. Policy Introduction
2. Role of the Board and its Membership
3. Role of the Chair
4. Role of the Managing Director
5. Role of Individual Directors
6. Role of the Deputy Chair
7. Role of the Company Secretary
8. Responsibilities of the Board
9. The Role of Management
10. Assistance to Board to fulfil Roles and Responsibilities
11. Conduct of Board Meetings
12. Review

Nothing in this charter must conflict with the company's constitution ("constitution"). If such a conflict occurs, the constitution prevails.

Policy Introduction

It is the aim of Aerometrex to meet the corporate governance requirements recommended by the ASX, with a framework designed to:

- Enable the Board to provide strategic guidance for Aerometrex and effective oversight of management;
- Clarify the respective roles and responsibilities of Board members and senior executives in order to facilitate Board and senior executives accountability to both Aerometrex and its shareholders; and
- Ensure a balance of authority so that no single individual has unfettered powers.

Role of the Board and its Membership

The Board is responsible for corporate governance of Aerometrex. It oversees the business and affairs of Aerometrex, establishes the strategies and financial objectives to be implemented by management and monitors standards of performance. Those responsibilities and the powers reserved to it are set out below in detail.

The membership of the Board will be directed by the following requirements:

- The constitution of Aerometrex specifies that there must be at least three directors and no more than nine. The Board may determine the size of the Board within those limits.
- The Chair of the Board must be an independent director who satisfies the criteria for independence adopted by the Board.
- The Board should, collectively, have the appropriate level of personal qualities, skills, experience and time commitment to properly fulfil its responsibilities or have ready access to such skills where they are not available. The Board may establish committees to assist it in carrying out its responsibilities. The Board will adopt charters setting out the membership, administration, purpose, responsibilities and functions appropriate to that committee.

Role of the Chair

In addition to their role as a director, the role of the Chair includes:

- Ensuring the Board provides leadership and vision to Aerometrex;
- In conjunction with the Company Secretary, preparing the Board agenda;
- Leading the Board, including presiding over Board meetings and company meetings and directing Board discussions to effectively use the time available to address the critical issues facing Aerometrex;
- Ensuring Board minutes properly reflect Board decisions;
- Developing an ongoing relationship with the Managing Director, such that the Chair is kept fully informed of the day-to-day matters of interest to the Board;
- Acting as a mentor for the Managing Director;
- Facilitating the effective contribution of directors including the commencement of the annual process of Board and director performance evaluation;
- Promoting constructive and respectful relations between Board members and between Board and senior executives;
- Together with the Board facilitating the assessment of the Managing Director's performance; and
- Guiding the ongoing effectiveness and development of the Board and individual directors.

Role of the Managing Director

The Managing Director is responsible to the Board for the overall management and performance of Aerometrex. The Managing Director should manage Aerometrex in accordance with the strategy, plans, practices and policies approved by the Board to achieve the agreed objectives. In particular the Managing Director's responsibilities include:

- Being the conduit through which the Board is provided sufficient and relevant information to act effectively;
- Providing leadership to Aerometrex and acting as Aerometrex's interface with its operating environment and the general business and investment community;

- Taking action to implement Aerometrex's corporate strategy, including being active in identifying new initiatives for consideration;
- Ensuring Aerometrex's policies are complied with;
- Referring all matters outside of the Managing Director's delegation to the Board for approval; and
- Such other responsibilities as delegated by the Board from time to time. All directors will have access to the Managing Director.

Role of Individual Directors

The role of directors includes:

- Contributing to Board activities to the best of their abilities and with the level of skill and care expected;
- Discharging their duties in good faith and honestly in the best interests of Aerometrex;
- Using the powers of office for proper purpose, in the best interests of Aerometrex as a whole;
- Acting with the required care and diligence, demonstrating commercial reasonableness in their decisions;
- Avoiding conflicts of interest, not allowing personal interests, or the interests of any associated person, to conflict with the interests of Aerometrex;
- Not making improper use of information gained through their position of director;
- Making reasonable enquiries to ensure that Aerometrex is operating effectively, efficiently and legally toward achieving its objectives;
- Undertaking diligent analysis of all proposals placed before the Board;
- Serving on Board committees as required;
- Participating in the appointment of new directors and directors performance evaluation; and
- Acting in accordance with the duties and obligations imposed on them and the Board by the constitution and the law.

Role of the Deputy Chair

From time to time the Board may nominate one of its directors to be a Deputy Chair whose role is:

- To aid and assist the Chair and to assume the role of the chair if the Chair is unavailable;
- To aid and assist the Chair and the remainder of the Board in assuring effective corporate governance in managing the affairs of the Board and the company;
- To be available as a resource to consult with the Chair and other directors on corporate governance practices and policies, and shall assume the primary leadership role in addressing issues of this nature if the Chair is unavailable;
- If the Chair is unavailable to consider questions of possible conflicts of interest of or breaches of the Code of Conduct by Board members, as such questions arise; and
- For succession planning, to assist the Board in selecting a new Chair.

Role of the Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is generally responsible for carrying out the administrative and statutory requirements of the Board by:

- Coordinating the development of the agenda in a timely and effective manner for approval by the Chair;
- Ensuring, in conjunction with the Managing Director, that the board papers are prepared in a timely and effective manner;
- Ensuring the timely despatch of the agenda and board papers;
- Coordinating, organising and attending meetings of the Board and shareholders, and ensuring the correct procedures are followed;
- Ensuring that the business at board and committee and members meetings is accurately captured in the minutes;
- Working in conjunction with the Managing Director and senior executives, to carry out the instructions of the Board and giving practical effect to the Board's decisions;
- Advising the Board and its committees on governance matters;
- Monitoring that Board and committee policy and procedures are followed; and
- Helping to organise and facilitate the induction and professional development of directors.

All directors will have access to the Company Secretary.

Responsibilities of the Board

The full range of the Board's responsibilities is extensive and in addition to the matters required by law, includes the following:

Performance

- Ensuring Aerometrex's long term viability and enhancing its financial position;
- Providing oversight and final approval of Aerometrex's corporate strategy;
- Monitoring senior executive's implementation of Aerometrex's corporate strategy;
- Approving and monitoring the business plan, annual budget and corporate policies and governance practices;
- Monitoring and assessing performance of Aerometrex and the Board itself;
- Overseeing the process of strategic management of current corporate projects;
- Overseeing the risk management framework and monitoring of material risks including economic, environmental and social sustainability risks;
- Approving risk management policies and monitoring compliance with those policies; and
- Monitoring developments in the oil and gas industry and the operating environment.

Compliance / Legal Conformance

- Understanding and protecting Aerometrex's financial position;
- Requiring and monitoring legal and regulatory compliance;
- Reviewing and approving annual accounts, annual reports and other public documents and sensitive reports;
- Approval of and monitoring of financial and other reporting;
- Overseeing the process for making disclosure of material information to the market;
- Monitoring and reviewing the Company's policies and performance in relation to health, safety, environment, community relations, climate change and other sustainability matters; and
- Ensuring an effective system of internal controls exists and is operating as expected.

Overall Operations

- Setting a framework to which the Board oversees management's running of the business;
- Establishing Aerometrex's vision, mission, values and ethical standards to be reflected in a Code of Conduct;
- Monitoring compliance with ethical standards;
- Delegating an appropriate level of authority to management and approving any additional changes to those delegations;
- Ensuring appropriate resources are available to senior executives;
- Demonstrating corporate leadership;
- Assuming responsibility for the relationship with the Managing Director including his/her appointment, succession, performance assessment, remuneration and dismissal;
- Where appropriate, ratifying the appointment and, the removal of senior executives;
- Overseeing aspects of the employment of senior executives including remuneration, performance and succession planning;
- Approving Aerometrex's remuneration framework;
- Selecting auditors;
- Recommending the appointment, and reviewing the performance, of directors;
- Appointing the members of Board committees;
- Ensuring effective communication to shareholders, staff and other stakeholders;
- Ensuring crisis management procedures are in place; and
- Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.

Matters which are specifically reserved for the Board or its committees include the following:

- The issue of securities, subject to the requirements of the law (Clause 4 of the Constitution);
- Appointment of a Chairman (Clause 61 of the Constitution);
- Appointment and removal of the Managing Director (Clause 69 of the Constitution) and Company Secretary (Clause 70 of the Constitution);
- Appointment of directors to fill a casual vacancy or as additional directors (Clause 52 of the Constitution);
- Establishment of Board committees, their membership and authority (Clause 67 of the Constitution);
- Approval of dividends (Clause 72 of the Constitution);

- Corporate governance principles and policies;
- Approval of major capital expenditure, capital management, and acquisitions and divestitures;
- Calling of meetings (Clause 57 of the Constitution); and
- Any other specific matter nominated by the Board from time to time.

The Role of Management

The senior executives' role and responsibility is to:

- Recommend Aerometrex's corporate strategy to the Board for approval and once it is approved, implement the corporate strategy;
- Assume day to day responsibility for Aerometrex's conformance with relevant laws and regulations and its compliance framework;
- Achieve the performance targets set by the Board;
- Develop, implement and manage Aerometrex's risk management and internal control frameworks;
- Develop, implement and update Aerometrex's policies, procedures and systems;
- Be alert to relevant trends in the aviation and aerial mapping industry being Aerometrex's operating environment;
- Provide accurate, timely and clear information to the Board to enable the Board to effectively perform its responsibilities;
- Act as a conduit between the Board and Aerometrex; and
- Manage Aerometrex's human, physical and financial resources to achieve Aerometrex's objectives.

Assistance to Board to fulfil Roles and Responsibilities

Board members will be assisted by Aerometrex to fulfil their roles and responsibilities in ways which include:

- The provision of induction materials for new directors in order to gain an understanding of Aerometrex's financial, strategic, operational and risk position, their rights, duties and responsibilities, the roles and responsibility of senior management and the role of Board committees;
- The offer by Aerometrex of an indemnity under the terms of Aerometrex's constitution; and
- Professional development opportunities to update and enhance their skills and knowledge. This includes education concerning key developments in Aerometrex and in the industry and environment within which Aerometrex operates.

Conduct of Board Meetings

- Board meetings will be conducted in accordance with the constitution.
- A Chair will be appointed in accordance with the constitution.
- The constitution provides that for so long as the Company is not listed the quorum for a Director's meeting is one half of the directors for the time being appointed. For so long as the Company is Listed, the quorum for a Directors' meeting is three directors unless the Directors otherwise decide.

- Board meetings will be held at least eight times a year at venues, dates and times agreed, where practical, in advance.
- In the ordinary course, Board and committee papers will be provided to directors at least three clear business days before the meeting, unless the meeting has been called urgently.
- The agenda for each Board meeting will be approved by the Chair of the meeting and where relevant, developed in consultation with the Managing Director, through the Company Secretary.
- Board and committee papers will contain sufficient and relevant information to enable directors to efficiently discharge their responsibilities and to make informed decisions on each of the agenda items for consideration.
- The minutes of Board meetings will be circulated, approved and signed in accordance with the Board Minutes procedure adopted by the Board.

Review

The Board will review this charter at least once a year.

APPENDIX 1

List of major policies requiring board approval

Audit and Risk Committee Charter

Code of Conduct

Continuous Disclosure Policy

Diversity policy

Remuneration and Nomination Committee Charter

Securities Trading Policy

Shareholder Communications Policy

Whistleblower Policy

Workplace Health, Safety and Environment Policy