



BWX Limited

ACN 163 488 631

BOARD CHARTER

1. Introduction

- 1.1 This is the Charter of the Board of Directors (Board) of BWX Limited ACN 163 488 631 (Company and, together with its subsidiaries, the BWX Group).
- 1.2 The Board is responsible for the corporate governance of the BWX Group.
- 1.3 The purpose of this Charter is to
 - (a) promote high standards of corporate governance;
 - (b) outline the role, responsibilities, structure and processes of the Board; and
 - (c) enable the Board to provide strategic guidance for the BWX Group and effective oversight of the management of the BWX Group.
- 1.4 To the extent that there is any inconsistency between this Charter and the Company's Constitution, the Constitution will prevail to the extent of that inconsistency.
- 1.5 This Charter will be reviewed annually or as required.

2. Role and responsibilities

- 2.1 The Board is responsible for setting the BWX Group's values and standards of conduct and monitoring that these are adhered to, in the interests of the BWX Group's stakeholders and, generally in safeguarding the BWX Group's reputation
- 2.2 The role of the Board is to provide and demonstrate leadership, define the purpose and set the strategic objectives of the Company and the BWX Group, in addition to overseeing the leadership team's implementation of the Company's strategic initiatives.
- 2.3 The Board must monitor the operational and financial position and performance of the Company and oversee its business strategy. In conducting business with these objectives in mind, it is the role of the Board to provide oversight and monitor that the Company is properly managed to protect and enhance shareholder interests, and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance.
- 2.4 The Board must adopt relevant internal controls, a risk management framework (for both financial and non-financial risks) and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.
- 2.5 The key responsibilities of the Board include:
 - (a) overseeing the BWX Group, including providing leadership and approving its strategic objectives, business plan and significant corporate strategic objectives;
 - (b) appointing the Chair;
 - (c) appointing and replacing the Chief Executive Officer (CEO) and approving or providing input on (as appropriate) the appointment of other members of the senior executive, including the Chief Financial Officer (CFO) and other senior executives who directly report to the CEO (Executive Team);
 - (d) where appropriate, ratifying organisational changes and approving the BWX Group's remuneration policies and practices in alignment with the Company's purpose, values, strategic values and risk appetite;

- (e) reviewing and approving succession plans for the CEO and members of the Executive Team;
 - (f) monitoring the performance of the Executive Team and implementation of strategy;
 - (g) approving the Company's operating budgets;
 - (h) determining dividend policy (if any), the amount to be declared and the nature and timing of dividends to be paid;
 - (i) approving and monitoring the progress of major capital expenditure, capital management, acquisitions and divestitures;
 - (j) approving and monitoring corporate, financial and other reporting systems, including external audit, and overseeing their integrity;
 - (k) considering and approving the BWX Group's overall risk management strategy and frameworks for managing all categories of risk;
 - (l) approving and monitoring systems of risk management, accountability, internal compliance and control, and legal compliance to confirm that appropriate compliance frameworks and controls are in place;
 - (m) setting the risk appetite within which the Board expects the Executive Team to operate and approve the BWX Group's risk management framework;
 - (n) reviewing performance, operations and compliance reports from the CEO, the CFO and the leadership team, including reports and updates on strategic issues and risk management matters;
 - (o) reviewing and overseeing the BWX Group's Continuous Disclosure Policy and overseeing the Company's process for making timely and balanced disclosure of all material information;
 - (p) approving and overseeing the implementation of the BWX Group's statement of values and Code of Conduct applicable to Directors and all other employees to underpin the desired culture within the BWX Group;
 - (q) approving the Charters of the various Board Committees;
 - (r) providing oversight of compliance with legal and regulatory requirements and ethical standards and policies and otherwise monitoring the effectiveness of the BWX Group's governance practices;
 - (s) considering the social, ethical and environmental impact of the BWX Group's operations; and
 - (t) any other responsibilities determined by the Board from time to time.
- 2.6 In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director or other person, subject to ultimate responsibility residing with the Directors. Notwithstanding clause 7 below, the Board may at any time remove or modify any powers delegated to the CEO.
- 2.7 The matters specifically reserved for the Board or its Committees (as relevant) include:
- (a) appointment of a Chair;
 - (b) appointment and removal of the CEO;
 - (c) appointment of a Director to fill a casual vacancy or as an additional Director;
 - (d) making recommendations to shareholders for the appointment or removal of Directors;
 - (e) establishment of Board Committees, their membership and delegated authorities;
 - (f) approval of dividends;

- (g) approval of the BWX Group's statement of values and Code of Conduct;
- (h) approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to Management;
- (i) calling of meetings of Directors or shareholders; and
- (j) any other specific matters nominated by the Board from time to time.

3. Board size and composition

- 3.1 The size of the Board will be determined in accordance with the Company's Constitution. In accordance with clause 55.2 of the Company's Constitution, the Board shall comprise at least three Directors and a maximum of eight Directors.
- 3.2 The Board must comprise:
 - (a) a majority of independent Non-Executive Directors;
 - (b) Directors with an appropriate range of financial and other skills, experience and expertise necessary to guide the operations of the BWX Group;
 - (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.
- 3.3 The Board will regularly review the composition of the Board, considering the number and skill mix of the Directors.
- 3.4 Non-Executive Directors are appointed by way of a formal letter of appointment setting out key terms, conditions and responsibilities of their position.
- 3.5 Directors will be appointed and removed in accordance with the Corporations Act and the Company's Constitution. When Non-Executive Directors are put forward for re-election, the BWX Director and Senior Executive Background Review Policy shall apply.
- 3.6 Upon appointment, the Company Secretary is responsible for arranging for the new Director to undertake an induction program as more fully outlined in the BWX Director Induction and Professional Development Policy.

4. Director independence

- 4.1 An independent Non-Executive Director is one who:
 - (a) is independent of Management;
 - (b) is 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' as set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition).
- 4.2 The Board will regularly assess whether each Non-Executive Director is independent and each Non-Executive Director must provide to the Board all information relevant to his or her assessment in this regard. If a Director's independent status changes, it will be immediately disclosed and explained to the market.
- 4.3 The Board has determined that in order to maintain independence of Non- Executive Directors, Non-Executive Directors of BWX will only serve for a maximum term of 10 years. They will then retire no later than the AGM held in the tenth year of tenure on the board.

5. Chair

- 5.1 The Board will appoint one of its members to be Chair.
- 5.2 The Chair must be an independent Non-Executive Director.
- 5.3 The Chair represents the Board and is responsible for leading the Board, facilitating the effective contribution of all Directors, promoting constructive and respectful relations between Directors and between the Board and Management and communicating the Board's position to shareholders and the public.

6. Board Committees

- 6.1 In accordance with the Company's Constitution, the Board has established the following standing Committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail:
 - (a) Audit & Risk Committee; and
 - (b) People & Culture Committee.
- 6.2 The Charter of each 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 at least annually or as required.
- 6.3 The Board may appoint ad hoc Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.
- 6.4 The Board will determine the membership and composition of Board Committees, having regard to its workload, skills, experience and any regulatory requirements.

7. CEO and Leadership Team

- 7.1 Subject to clause 2.7 above, responsibility for day-to-day management and administration of the BWX Group is delegated by the Board to the CEO and members of the Leadership Team.
- 7.2 The CEO manages the BWX Group in accordance with the strategy, plans and policies approved by the Board.
- 7.3 The CEO is appointed by the Board.
- 7.4 The responsibilities of the CEO include, among other things:
 - (a) developing and recommending to the Board strategies, business plans and annual budgets for the BWX Group;
 - (b) implementing the strategies, business plans and budgets approved by the Board;
 - (c) providing effective leadership, direction and supervision of the Leadership Team to achieve the strategies, business plans and budgets adopted by the Board and in accordance with the values and culture as set by the Board;
 - (d) monitoring compliance with all applicable laws and regulations;
 - (e) monitoring that the Board is given sufficient information in a form, timeframe and quality that will allow it to be effective in performing its functions, setting strategies, monitoring performance and discharging its duties; and
 - (f) acting within authority delegated by the Board.
- 7.5 The Board has in place procedures to regularly assess the performance of the CEO and members of the Executive Team.

8. Non-Executive Directors

- 8.1 The independent Non-Executive Directors (unless any Director is conflicted in regards to the matter) should consider meeting regularly without Management present, including at scheduled sessions or as otherwise required by the circumstances.

9. Company Secretary

- 9.1 The Board will appoint at least one Company Secretary who is directly accountable to the Board through the Chair, on all matters to do with the proper functioning of the Board.
- 9.2 The responsibilities of the Company Secretary of the Company include, among other things:
- (a) advising the Board and the Board committees on governance matters;
 - (b) monitoring that Board and Board Committee policies and procedures are followed;
 - (c) coordinating the timely completion and dispatch of Board and Board Committee papers;
 - (d) minuting the business at Board and Board Committee meetings;
 - (e) assisting with the organisation and facilitation of induction and professional development of the Company's Directors; and
 - (f) communication with regulatory bodies, stock exchanges and all statutory and other filings.

10. Board meetings

- 10.1 The Chair is responsible, in consultation with the CEO and the Company Secretary, for the conduct of all Board meetings, including the setting of agendas.
- 10.2 Members of the Executive Team may be invited to attend Board Meetings and they may be contacted by Directors directly between Board Meetings to discuss various business and operational matters related to the BWX Group.
- 10.3 The Non-Executive Directors will regularly meet without the CEO and members of the Executive Team.

11. Board performance

- 11.1 The Board will continually monitor its effectiveness through ongoing discussions and, at least once per year, undertake a review of the performance of the Board and individual Directors. The Committees will perform their own evaluations on an annual basis.

12. Conflicts

- 12.1 Directors must:
- (a) disclose to the Board any actual, perceived or potential conflicts of interest or duty, or matter that may bear on their independence and might reasonably be thought to exist as soon as they become aware of the situation;
 - (b) take all necessary and reasonable action to resolve or avoid any actual, perceived or potential conflicts of interest or duty; and
 - (c) comply with all applicable laws and policies of the Company in relation to disclosing material personal interests and restrictions on voting.
- 12.2 If a conflict exists, it is expected that any Director to whom the conflict relates will recuse himself or herself when the Board is discussing any matter to which the conflict relates.

13. Other appointments

- 13.1 A Non-Executive Director should inform the Chair of the Board and the Chair of the Remuneration Committee before accepting any new appointment as a Director of another

listed entity, another other material directorship or other position with a significant time commitment attached.

14. Access to information and independent advice for Directors

- 14.1 Directors have access to any information that 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; and
 - (b) Auditors to seek explanations and information from them without Management being present.
- 14.3 At the expense of the Company, Directors may seek any independent professional advice that they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the Directors.
- 14.4 If the Chair of the Board consents, the Company will pay a Director's costs of seeking independent professional advice. That consent may not be unreasonably withheld or delayed.

15. Communication of information

- 15.1 The Board has adopted a communications strategy to facilitate and promote effective communication with all stakeholders and to encourage shareholder participation at general meetings.

16. Approved and adopted

- 16.1 This Charter was approved and adopted by the Board on 3 June 2019 and reviewed and updated on 24 March 2020. The Charter was reviewed on 25 March 2021.