

The Board of Directors (“**the Board**”) of Tamawood Limited ACN 010 954 499 (“**the Company**”) has adopted the following Charter of the Board of Directors (“**the Board Charter**”).

## **BOARD FUNCTIONS**

1. The Board is responsible for the Corporate Governance and business strategy of the Company. The Board establishes strategies and financial objectives to be implemented by management and monitors standards of performance directly or through its Committees. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.
2. The responsibility for the day to day operation and administration of the Company and the entities it controls is delegated by the Board to the Managing Director. The Board ensures that the Managing Director is appropriately qualified and experienced to discharge his responsibilities and has in place procedures to assess his performance.
3. Overseeing governance of the Company’s assets: This includes:
  - Appointment, compensation and oversight of the Company’s external auditors, including assessing whether the auditors meet the required standards for independence and maintenance of an efficient and effective audit.
  - Charting the direction, strategies and financial objectives for Tamawood Limited and its subsidiaries.
  - Approving strategic plans and monitoring the Company’s performance against them.
  - Approving the annual and half-year financial reports, liaising with the Company’s auditors.
  - Reviewing the application of accounting policies and reporting of financial information to shareholders, regulators and the general public.
  - Approving other major decisions of the Company, including major business transactions, capital expenditure and appointment of senior executives.
  - Taking steps to identify the significant risks facing the Company and its assets, and that appropriate control, monitoring and reporting mechanisms are in place.
4. Undertaking actions that enhance the Company’s standing with shareholders, stakeholders and the general community. This includes:
  - Setting governance policies and codes of conduct.
  - Taking appropriate action in the event of breaches of these standards.
  - Maintaining regular communications with shareholders and other stakeholders.
  - Overseeing the entity’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 entity’s securities.

5. Taking steps to provide for assessment and renewal of the Board as appropriate:
  - Instituting a process for evaluating appropriate Board skills and recruiting individuals able to discharge the responsibilities of Directors.
  - Submitting candidates for election at shareholder meetings, including rotation and re-election of existing Directors.
  - Nominating a Chair of the Board.
  - Undertaking an annual process of self-critique and review, and
  - Satisfying itself that the entity's remuneration policies are aligned with the entity's purpose, values, strategic objectives and risk appetite.

#### **EXTERNAL ADVICE**

Directors are permitted in the furtherance of their duties to seek independent professional advice at the Company's expense. Prior approval of the Board of Directors is required but this may not be unreasonably withheld. Any legal advice obtained must be available to all Directors;

The Board determines Board size and composition subject to the limitations imposed by the Corporations Law and the Company's constitution.

#### **POLICY FOR ASSESSING THE INDEPENDENCE OF DIRECTORS**

It is the Board's policy that in determining a Director's independence, the Board considers the relationships which may affect independence as set out in Box 2.3 of the *ASX Corporate Governance Principles and Recommendations (4<sup>th</sup> edition)*:

When determining the independent status of a Director the Board will consider whether the Director:

1. Is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
2. Is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities;
3. Is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the entity or any of its child entities, or other officer of, or otherwise associated with, someone with such a relationship;
4. Is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity.
5. Has a material contractual relationship with the entity or its child entities other than as a director;
6. Has a close family ties with any person who falls within any of the categories described above; or
7. Has been a director of the entity for such a period that his or her independence may have been compromised.
8. Receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of the entity.

For the purposes of assessing independence, the Group has used a materiality threshold of \$200,000 in respect of consulting services, customer, supplier or adviser relationships and 5% in relation to the percentage shareholding in the Company that is owned or controlled by any Director or their associates.

Family ties and cross-directorships may be relevant in considering interests and relationships which may affect independence, and should be disclosed to the Board.

The current Board of Tamawood Limited has 4 Directors, 3 are Non-executive Directors and one Executive Director. Two of the Directors are Independent, one of whom is the Chairman. The Company takes into consideration the independent status of directors annually at a Nomination Committee meeting.

## **DIRECTOR APPOINTMENTS AND ELECTIONS**

Tamawood Ltd has written agreements in place with Non-Executive Directors and the Managing Director except where no remuneration is received for Director duties.

Where Directors stand for re-elections, the Board will provide the following details as part of the Annual General Meeting:

- The term of office currently served by the director.
- If the Board considers the Director to be an independent Director, a statement to that effect.
- A statement by the Board as to whether it supports the election or re-election of the candidate and a summary of the reasons why

If a director is standing for election for the first time, the Board will provide the following information as part of the Annual General Meeting:

- Biographical details, including their relevant qualifications and experience and the skills they bring to the Board.
- Details of any other material directorships current held by the candidate.
- Confirmation that the entity has conducted appropriate checks into the candidate's background and experience.

If those checks have revealed any information of concern.

- Details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear interests of the entity as a whole rather than in the interests of an individual security holder or other party
- If the Board considers that the candidate will, if elected, qualify as an independent director, a statement to that effect.

### **CHAIRMAN OF THE BOARD**

The current Chairman of Tamawood Limited is an independent non-executive Director. The Chairman is responsible for developing a culture of openness and diversity of views at Board level. Where the Chairman is conflicted in Board discussions, he is requested to leave the meeting.

### **MANAGING DIRECTOR**

The Board has delegated to the Managing Director and his senior executive team authority over the day to day management of the Company and its operations

### **COMPANY SECRETARIES**

The Company Secretaries are appointed and removed by the Board and are responsible for establishing and maintaining the appropriate support mechanisms to enable the Board to function effectively. The Company Secretaries are also responsible for ensuring the Board procedures are complied with and advising the Board on governance matters. All Directors have access to the Company Secretaries for advice and support services as required and are accountable to the Board through the Chairman.

### **BOARD SKILLS MATRIX**

Experience	No. of years
Residential Construction	>100 years
Sales & Marketing	>90 years (L. Mizikovsky / R. Lynch / T. Bartholomaeus)
Corporate Communications	>50 years (L. Mizikovsky / R. Lynch)
Accounting	>30 years (L. Barr)

### **BOARD MEETINGS**

Refer to page 7 of the Annual Report for the number of Board Meetings.