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APPLIED AT : All Clover directors	ISSUED : 31/07/2020 LAST UPDATED : 31/07/2020
APPROVED BY : Clover Board	VERSION NO. : 001
TITLE : Board Charter	AUTHOR(S) : Paul Sherman

1. Charter

The board of directors (**Board**) of Clover Corporation Limited (**Clover** or **Company**) has adopted this Board Charter that sets out an overview of the composition, roles, responsibilities, structure and processes of the Board having regard to principles of good governance, best practice and applicable laws. It also sets out how the performance of the Board, its Committees and individual directors will be evaluated.

2. Constitution

The Clover Constitution is Clover's key governance document. To the extent that there is any inconsistency between this Charter and the Constitution, the Constitution will prevail.

3. Board composition

The Board together with the Nomination Committee will, subject to the provisions of the Company's Constitution, be responsible for:

- determining the size and composition of the Board;
- selecting suitable candidates for appointment or election as directors;
- considering the necessary and desirable competencies of the Board;
- considering whether the Board has the appropriate mix of skills, expertise and experience necessary to fulfil its function effectively; and
- electing the Chair of the Board.

The Board is to consist of:

- a majority of independent, non-executive directors; and
- the CEO.

The Chair

- is to be an independent non-executive director who is an Australian citizen appointed by the Board; and
- is not to exercise the role of CEO of Clover.

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4. Responsibilities and duties

Role of Board

The Clover Board is responsible for agreeing the strategic direction and objectives of Clover and monitoring the implementation of that strategy by management. Without limitation, the Board considers itself primarily responsible for the following:

- appointing and removing the CEO and other senior executives;
- appointing and removing the Company Secretary;
- appointing and removing the Chair;
- reviewing and approving board and Executive development and succession planning;
- providing final approval of operating budgets and major capital expenditure;
- satisfying itself that Clover has an appropriate risk framework (including in relation to both financial and non-financial risks);
- setting the risk appetite within which management is expected to operate;
- overseeing and assessing management in its implementation of Clover's strategic objectives, and instilling of Clover's values and performance generally and, where required, challenging management and holding it to account;
- satisfying itself that an appropriate framework exists for relevant information to be reported by management to the Board;
- approving Clover's remuneration framework and satisfying itself that the framework is aligned with Clover's purpose, values, strategic objectives and risk appetite; and
- oversight of the integrity of the accounting and corporate financial reporting systems, including appointment, re-appointment or replacement of the external auditors;
- review and approve the organisation's policies ensuring that they are kept up to date with current governance practices;
- overseeing Clover's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on price or value of Clover's securities; and
- monitoring the effectiveness of Clover's governance practices.

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Individual director responsibilities

In discharging his/her duties, each director must:

- exercise care and diligence;
- act in good faith in the best interests of Clover and for a proper purpose;
- not improperly use his/her position or misuse information of Clover; and
- commit the time necessary to discharge effectively his/her role as director.

Chair

The Chair is responsible for:

- leadership and facilitating effective performance of the Board;
- the efficient organisation and conduct of the Board's function and Meetings;
- helping to organise and facilitate the induction and continuing professional development of directors;
- scheduling effective performance evaluation of the Board, directors and the CEO.

CEO

The CEO is responsible for implementing the strategic objectives and plans of Clover, attaining the performance objectives of the Company, and ensuring that the Company adheres to the budgets, approved by the Board. Further, the day-to-day management of the business and operations of Clover and its subsidiaries is conducted by, or under the supervision of, the CEO (or other executives to whom management is properly delegated by the CEO) subject to the oversight and direction of the Board.

The CEO must report to the Board in a timely and transparent manner to enable the Board to perform its responsibilities.

Company Secretary

The role of the company secretary is to support the effective operation of the Board and its Committees in carrying out their responsibilities. The company secretary is accountable to the Board, through the Chair, for the performance of this role which includes, without limitation:

- advising the Board and its Committees of governance matters;
- monitoring compliance with Board its Committee policies and procedures;
- coordinating the timely completion and despatch of Board and Committee papers;

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- ensuring that the business at Board and Committee meetings is accurately recorded in the minutes; and
- helping to organise and facilitate the induction and continuing professional development of directors.

5. Committees

To assist the Board in fulfilling its duties and responsibilities, it has established three Committees:

- a Nominations Committee;
- a Remuneration Committee; and
- an Audit & Risk Committee.

Each Committee has a formal charter and has been granted certain delegations.

Each Committee has an obligation to report on its Meetings to the Board, and minutes of all Committee meetings are made available to all directors.

The Chair and the CEO are not members of Committees, but are allowed to attend meetings in an *ex officio* capacity.

Nominations Committee

The Nomination Committee assists the Board in regard to:

- Board appointments, re-elections and performance;
- diversity obligations;
- director's induction programs and continuing development; and
- CEO succession planning.

Remuneration Committee

The Remuneration Committee assists the Board in regard to:

- the remuneration framework for Non-Executive directors; and
- the remuneration framework for the CEO and senior management.

Audit & Risk Committee

The Audit & Risk Committee assists the Board in regard to:

- the integrity of Clover's financial reporting;

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- compliance with legal and regulatory obligations;
- effectiveness of the risk management framework; and
- oversight of the external audit function.

6. Independence of directors

The Board regularly reviews (at least annually) the independence of each non-executive director

If a director becomes aware of any information, facts or circumstances that will or may affect that director's independence, the director must immediately disclose all relevant details to the Company Secretary and the Chair. In such cases, the Board will make an assessment of the independence of the director as soon as practicable after it becomes aware of the new information.

If the Board determines that a director's status as an independent director has changed, that determination should be disclosed and explained in a timely manner to the market.

The Board endorses the general test of independence outlined in the commentary to recommendation 2.3 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations with 2010 Amendments*, 4th Edition (**ASX Corporate Governance Principles and Recommendations**) and considers a director to be independent where he or she is free of any interest, position, or relationship that might influence, or might reasonably be perceived to influence, in a material respect, his or her capacity to bring independent judgement to bear on issues before the Board, and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

As outlined in ASX Corporate Governance Council Principles and Recommendations, factors that might raise issues about the independence of a director of Clover include if the director:

- is, or has been, employed in an executive capacity by Clover or a subsidiary within the last three years;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, Clover;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with Clover or a subsidiary, or is an officer of, or otherwise associated with, someone with such a relationship;
- is, represents, or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder of Clover;
- has close personal ties with any person who falls within any of the categories described above; or
- has been a director of Clover for such a period that his or her independence from Clover's management and substantial holders may have been compromised.

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7. Induction and education

Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.

The Company recognises that all new directors should be offered induction training, tailored to their existing skills, knowledge and experience, to position them to discharge their responsibilities effectively and to add value. If the director is not familiar with the legal framework that governs Clover, or accounting skills or knowledge, for example, the Company recognises that the induction program should include training on these matters.

8. Independent advice

To facilitate all directors, whether independent or not, bringing an independent judgement to bear on Board decisions, each director individually, and the Board collectively, has the right to obtain independent professional advice at Clover's expense, where the obtaining of that advice has been approved by the Chair (except where the advice is about a matter in which the Chair has a material personal interest) or the Board.

9. Performance evaluation

Board evaluation

The process of evaluating the performance of the Board as a whole is the responsibility of the Board under the direction of the Chair. The evaluation of Board performance involves the setting of annual Board objectives and an assessment by the Board at the conclusion of the year as to the extent to which the Board achieved those objectives.

Evaluation of Committees

It is intended that each Committee will annually review its performance and report the results of the review to the Board. Based on the results of the performance review, where necessary, recommendations will be made to the Board for improving the effectiveness of the Committee.

The manner of the evaluation is generally to be determined by the relevant Committee chair, and will vary given:

- the particular responsibilities of the Committee;
- the number of Committee meetings; and
- the number of Committee members.

Individual director evaluation

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The Board annually reviews its performance through a process of formal self evaluation initiated by the Chair of the Nominations Committee in conjunction with the Chair.

These are completed confidentially with results being sent to, and collated by, the Chair.

In addition, the evaluation enables each Director to comment confidentially on the Chair's performance.

The Chair will then debrief the Board as a group and undertake the individual Director feedback meetings one-on-one with each Director. The Committee Chair's will take responsibility for digesting and disseminating suggestions for their respective Committees.

10.Meetings

The Board will meet regularly and intends to meet a minimum of eleven times a year.

Directors will use all reasonable efforts to attend meetings in person.

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