

SIMAVITA LIMITED

BOARD CHARTER

1. Terms of reference

The Articles of Simavita Limited (“**Simavita**” and the “**Company**”) provides that “... the management and control of the business of the Company shall be vested in the Directors who may exercise all such powers of the Company as are not hereby or by the Law required to be exercised by the Company in General Meeting.”

This Board Charter forms a part of the governance framework for the Company and sets out the functions, key responsibilities, and main operating mechanisms of the Board in order to clarify Board and management accountabilities in setting the strategy of the organization, and in the management and control of the organization.

2. The Board’s role

The Company was established to create long-term value for shareholders. The role of the Simavita Board is to represent shareholders and to enhance and protect the interests of the Company.

In carrying out its role the Board will also need to consider the interests, expectations, and legal rights of a wider group of stakeholders involved with the Company, including but not limited to; stock exchanges, statutory bodies, employees, customers, trade creditors, all shareholders, bankers, and other debt providers.

The Board’s role is to govern the Company rather than to manage it. It is the role of Senior Management to manage the Company in accordance with the direction and delegations of the Board, and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board has the authority to determine all matters relating to the policies, practices, management, operations and reporting of the Company.

Specifically the Board is responsible for:

- (a) **Requiring** and **monitoring** statutory, legal and regulatory compliance.
- (b) **Approving** any change to the accounting policies of the Company, the appointment or termination of auditors (following a recommendation or request by the Audit and Risk Committee), the appointment or termination of bankers, and the appointment of advisors for capital market transactions and for M&A transactions.
- (c) **Approving** annual financial reports, annual reports and other sensitive public documents and announcements.
- (d) **Understanding** the Company’s financial position.
- (e) **Approving** (either directly, or as recommendations for subsequent shareholder approval) all changes to the equity capital structure of the Company, including the issue of options, any changes to the debt capital structure of the Company involving borrowing of funds or giving security over assets in excess of thresholds set by the Board from time to time, and any declaration or payment of any dividend or other distribution.
- (f) **Overseeing** the risk management framework of the Company, **ensuring** that business risks are identified and **approving** systems and controls to manage those risks and monitor compliance.
- (g) **Approving** the Company’s strategy and strategic plans (in a format approved by the Board).
- (h) **Approving and adopting** the Company’s annual and multi-year operational plans and budgets (in a format approved by the Board).

- (i) **Monitoring** the Company's progress to operational plans and budgets and **approving** any material deviation to the adopted operational plans and budgets.
- (j) Unless previously included in an approved operational plan and budget, **review** and **approve** all business acquisitions and divestitures, any capital expenditures above a threshold level set by the Board from time to time, all proposals concerning the purchase, sale or lease of land or buildings, and all proposals to enter into partnerships or joint ventures.
- (k) **Reviewing** and **approving** material contracts.
- (l) **Establishing** and **reviewing** performance indicators, control mechanisms, and related benchmarks that will allow the Board to satisfy itself that the Company is being managed properly.
- (m) **Approving** the job description, KRA's, KPI's, remuneration, selection, appointment and termination of key management personnel and consultants, including but not limited to, the CEO, the CFO, the Company Secretary, and all roles with total potential annual compensation in excess of a threshold set by the Board from time to time.
- (n) **Requiring** there is a human resources management process in place covering senior staff and all other employees with the following deliverables and outcomes for all roles; job descriptions, employment contracts, NDA's, KRA's, KPI's, bi-annual performance reviews, and annual remuneration reviews.
- (o) **Approving** the organizational structure of the Company.
- (p) **Monitoring** performance and succession planning for key management personnel.
- (q) **Ensuring** adequate and effective communication with shareholders and other stakeholders.
- (r) **Establishing** appropriate Board sub-committees.
- (s) **Delegating** appropriate authorities to management.
- (t) **Approving** the format adopted for monthly Board information packs (including the agenda, standing reports, CEO Report and Board papers).
- (u) **Approving** advisory Board appointments.
- (v) **Reviewing and evaluating** the Board's performance at least annually. Externally every two years, and internally each alternate year.
- (w) **Ensuring** that Board membership and structure is suitable to the requirements and circumstances of the Company by considering the Board's composition, the independence of each director, and the balance of perspectives and skills needed to maximize the effectiveness of the Board and its sub-committees.
- (x) **Reviewing** the Company's Board charter at least annually.
- (y) **Approving, adopting and reviewing** (at least annually) such charters, policies, delegations, codes and protocols as may be required by the Company from time to time. Including but not limited to the Audit and Risk Committee Charter, Company Code of Conduct, Securities Trading Policy, Whistleblower Policy, and Anti-discrimination Policy.
- (z) **Approving** the content of the letters of appointment and deeds of indemnity and release for directors.
- (aa) **Require** the Company Secretary to maintain an induction pack which includes all the necessary information that will be provided to new directors.
- (bb) **Approving** any corporate donations or sponsorships.

3. Management's role

The day to day operations of the Company including all matters not included in this Charter, or the Sub-Committee Charters, are delegated to the CEO. The CEO is responsible for all areas of management not included in the Board's role (Section 2 above). The CEO would also generally be the principal public spokesperson for the Company.

Some specific areas of management responsibility include;

- (a) Recommend the strategic direction of the Company and translate the strategy into operational plans and budgets for Board approval.
- (b) Manage the resources (physical, IP, financial, and human) of the Company effectively and efficiently to achieve the Company's operational objectives (i.e. deliverables and outcomes on time and within budget).
- (c) Advise the Board of any anticipated material variations to operational plans and budgets. The CEO and CFO are responsible to advise the Board of any proposed or anticipated material deviations from the approved Annual Operating Plan and Budget at least by the next Board meeting (or if urgent as soon as possible after they become known).
- (d) Advise and keep the Board apprised of any material contract negotiations.
- (e) Assume day-to-day responsibility for the Company's compliance with laws, regulations and the Board approved internal governance framework.
- (f) Implement and manage the Company's risk management framework. Prepare reports on risk management and internal compliance.
- (g) Keep the Board apprised of opportunities and developments in the industry and operating environment of the Company.
- (h) Operate within delegated authorities.
- (i) Be aware of and abstain from any conflicts of interest.
- (j) Recommend to the Board regarding the most effective organizational structure, and once approved oversee its implementation.
- (k) Establish and sustain a "performance culture" in the Company by providing clear job descriptions for all positions, appointing the right people to each position, making sure all staff understand their responsibilities, holding all staff accountable for their actions and outcomes, and rewarding success and achievement in appropriate and visible ways.
- (l) Ensure all staff have signed confidentiality agreements (either through their employment contracts or individual NDA's), understand their KRA's, have agreed KPI's, and participate in a formal performance assessment process at least twice each year.
- (m) Ensure there is a current and documented OH&S policy in place and that OH&S is being monitored.
- (n) Provide timely and appropriate information and recommendations to the Board to assist them in carrying out their responsibilities as listed in Section 2 above.
- (o) Ensure all Board resolutions are carried out (unless they are the responsibility of the Board).

The CEO shall prepare a monthly report for the Board (in a form approved by the Board from time to time).

4. Composition and Meetings of the Board

- (a) The Articles of the Company provide that there shall be not less than three, nor more than ten, directors.
- (b) The Board shall meet at least eight times per year. Additional meetings may be convened as necessary.
- (c) The Board may meet by electronic means, as necessary.
- (d) The Board may invite appropriate members of management to attend its meetings.
- (e) The non-executive directors shall meet periodically in the absence of management.
- (f) The Board shall approve arrangements for the AGM (Annual General Meeting) and any other meetings of members.
- (g) The Board shall adopt an Annual Calendar to facilitate the discharge of its responsibilities and this will form the basis of its individual meeting agendas.
- (h) The Board shall approve the format for the agenda and Board information packs provided by management for Board meetings.
- (i) The Board shall include at least 2 independent directors.
- (j) The Board shall have at least one sub-committee, the Audit and Risk Committee, which shall have at least 2 independent directors and an independent chairman who is not the Chairperson of the Board.
- (k) A quorum for Board meetings is 2 directors.
- (l) Resolutions of the Board require agreement from the majority of directors entitled to vote on the matter. The Chairman shall not have a casting vote.

5. Role of Board Members

The four basic directors' obligations are: Care and Diligence, Good Faith, Proper Use of Position, and Proper Use of Information.

Taking into account their key statutory obligations directors must:

- (a) discharge their duties in good faith and in the best interests of the Company and for a proper purpose;
- (b) adhere to the Company's Code of Conduct;
- (c) keep confidential all Board discussions and deliberations;
- (d) purchase or sell securities in the Company strictly in keeping with the Company's Securities Trading Policy;
- (e) act with care and diligence, demonstrate commercial reasonableness in their decision making and with the level of skill and care expected of a director of a listed public company;
- (f) bring an independent judgment to bear in decision-making;
- (g) govern the Company by the broad policies developed by the Board and actively contribute to the Board role (see Section 2 above);
- (h) provide succinct, candid and constructive criticism, advice, and comments;
- (i) prepare for and participate in the discussions and the deliberations of the Board;
- (j) any director may request of the Chairman that an item be added to the Agenda;
- (k) observe protocols regarding contacting employees of the Company directly;

- (l) allocate sufficient time for the fulfillment of their directors duties;
- (m) attend Board meetings and the Annual General Meeting;
- (n) foster a positive and respectful working relationship with other Board members, the Company Secretary, the CEO and other Company staff;
- (o) act for the benefit of the Company at all times;
- (p) not make improper use of information gained through their position as director;
- (q) not take improper advantage of their position as director;
- (r) beware of conflicts of interest and notify the Secretary and other directors of a material personal interest when a conflict arises;
- (s) be informed of the products and services provided by the Simavita and publicly support them;
- (t) have completed appropriate director training (e.g. the AICD Company Directors Course) and stay current through CPD;
- (u) make reasonable inquiries if relying on information or advice provided by others; and
- (v) prevent the Company from operating if insolvent.

All confidential information received by a director in the course of the exercise of the director's duties remains the property of the Company and is not to be discussed outside the Boardroom. It is improper to disclose confidential information, or allow it to be disclosed, unless that disclosure is required by law. Directors should ensure the confidentiality and security of Board pack information provided to them.

The business judgment rule provides that a director making a decision in relation to the business operations of the Company will be taken to have discharged their duty with care and diligence if;

- I. the decision was made in good faith for proper purpose;
- II. the director did not have a material personal interest in the subject matter;
- III. the director took steps to inform themselves regarding the subject matter of the decision to the extent reasonably believed to be appropriate; and
- IV. the director believed the decision was in the best interests of the Company.

6. Role of the Board Chairman (or "Chairperson")

The Chairperson's role is a key one within the Company. The Chairperson is considered the "lead" director and utilises their experience, skills and leadership abilities to facilitate the governance processes.

There are two main aspects to the Chairperson's role. They are the Chairperson's role within the Boardroom and the Chairperson's role outside the Boardroom.

6.1 Inside the Boardroom

Inside the Boardroom the role of the Chairperson is to:

- (a) Provide leadership relative to establishing strategic goals, objectives and priorities for the Company;
- (b) Establish a Board Calendar;
- (c) Establish the Agenda for Board meetings in consultation with the CEO and Company Secretary;

- (d) Ensure that management provides Board information packs for all Board meetings in a form approved by the Board;
- (e) Chair Board meetings. (If the Chairperson is not present a director chosen by a majority of directors shall assume the role);
- (f) Be clear on what the Board has to achieve, both in the long and short term;
- (g) Provide guidance to other Board members about what is expected of them;
- (h) Ensure that Board meetings are effective in that;
 1. the right matters are considered during the meeting (for example, strategic and long range issues, monthly review of progress, problems and priorities relating to execution of the Operational Plans and Budgets);
 2. matters are considered carefully and thoroughly;
 3. all directors are given the opportunity to effectively contribute; and
 4. the Board comes to clear decisions and resolutions and action items are noted;
- (j) Brief all directors in relation to issues arising at Board meetings;
- (k) Ensure that the Board as a whole acts to ensure that decisions of the Board are implemented properly;
- (l) Reflect any concerns management has in regard to the role of the Board;
- (m) Ensure that the Board's actions comply with the Board Charter; and
- (n) Attend any Board sub-committee meetings *ex officio* if not a member of the sub-committee.

6.2 Outside the Boardroom

Outside the Boardroom the role of the Chairperson includes the following:

- (a) Work in partnership with the CEO to make sure Board resolutions are carried out;
- (b) Provide sounding Board for other non-executive directors to discuss Board processes, sensitive issues, or other matters privately outside regular Board meetings;
- (c) Periodically consult with Board members on their roles and help them assess their performance;
- (d) As the principal spokesperson for the Board, show leadership in difficult situations;
- (e) Undertake appropriate public relations activities when necessary;
- (f) Undertake appropriate investor relations activities when necessary;
- (g) Be the spokesperson for the Company if the CEO is unable to fill this role;
- (h) Chairing the shareholder meetings (AGM and EGM's);
- (i) Be the major point of contact between the Board and the Board sub-committees and CEO and Company Secretary;
- (j) Be kept fully informed of current events by the CEO, CFO and Company Secretary on all matters which may be of interest to directors;
- (k) Regularly review with the CEO and CFO, and such other Company executives as required from time to time, progress on important initiatives and significant issues facing the Company;

- (l) Provide mentoring for the CEO and act as a sounding Board for the CEO to discuss sensitive issues and matters of concern (The relationship between the Chairperson and CEO is vital. To be effective it must be based on co-operation, trust and mutual respect);
- (m) initiate and oversee (together with the Board), the annual CEO evaluation process; and
- (n) Initiate the annual Board review process and oversee this process in alternate years when an external facilitator is not involved.

7. Conflicts of Interest and Related Party Transactions

Directors must disclose to the Board actual or potential conflicts that may or might reasonably be thought to exist between the interests of the director and the interests of the Company.

Whether an interest is material or not will vary depending on individual circumstances. Directors are expected to know when a matter is material and accordingly to declare any material conflict. If there is doubt about materiality of an actual or potential conflict then it should be declared. Potential areas of conflict include; employment, directorships, interests in contracts to which the Company is a party, family ties, and so on.

On appointment, directors will have an opportunity to declare any such interests and they will be entered into the Company's Register of Ongoing Conflicts of Interests.

Directors should update this disclosure by notifying the Company Secretary in writing as soon as they become aware of any conflicts. Directors are also expected to indicate to the chairperson any actual or potential conflict of interest situation as soon as it arises. To ensure directors have an opportunity to disclose new conflicts of interest, the first agenda item for each Board meeting will be the disclosure of any conflicts of interest. Any amendments to disclosures are to be tabled at this time and entered into the Register of Ongoing Conflicts of Interest.

The Board can request a director to take reasonable steps to remove the conflict of interest. If a director cannot or is unwilling to remove a conflict of interest then the director must absent himself or herself from the room when discussion and voting occur on matters to which the conflict relates. The entry and exit of the director concerned will be recorded in the Board minutes by the Company Secretary.

Directors do not have to absent themselves if the Board passes a resolution that identifies the director, the nature and extent of the director's interest and clearly states that the other directors are satisfied that the interest should not disqualify the Director concerned from discussion and/or voting on the matter.

Related Party transactions (also referred to as "Self-Dealing transactions") include any financial transaction between a director or Officer or their related parties*, and the Company and shall be reported in writing to each Board meeting.

Related Party transactions cannot be approved by the Board unless the Board determines, before the transaction, that:

- (i) the Company is entering into the transaction for its own benefit;
- (ii) the transaction is fair and reasonable as to the Company; and
- (iii) after reasonable investigation, the Board determines that the Company could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

Such determination must be made by the Board in good faith with knowledge of the material facts concerning the transaction and the director's interest in the transaction, and be approved by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors.

The Company Secretary will maintain a Register of Related Parties Transactions as well as the Register of Ongoing Conflicts of Interests.

For the purposes of this Charter, the term “Related Party” is defined under the corporate laws of both Australia and Canada and include:

Australian law:

“related party” means

Controlling entities

- (1) An entity that controls a public company is a related party of the public company.

Directors and their spouses

- (2) The following persons are related parties of a public company:
 - (a) directors of the public company;
 - (b) directors (if any) of an entity that controls the public company;
 - (c) if the public company is controlled by an entity that is not a body corporate – each of the persons making up the controlling entity;
 - (d) spouses of the persons referred to in paragraphs (a), (b) and (c).

Relatives of directors and spouses

- (3) The following relatives of persons referred to in subsection (2) are related parties of the public company:
 - (a) parents; and
 - (b) children.

Entities controlled by other related parties

- (4) An entity controlled by a related party referred to in subsection (1), (2) or (3) is a related party of the public company unless the entity is also controlled by the public company.

Related party in previous 6 months

- (5) An entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.

Entity has reasonable grounds to believe it will become related party in future

- (6) An entity is a related party of a public company at a particular time if the entity believes or has reasonable grounds to believe that it is likely to become a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time in the future.

Acting in concert with related party

- (7) An entity is a related party of a public company if the entity acts in concert with a related party of the public company on the understanding that the related party will receive a financial benefit if the public company gives the entity a financial benefit.

Canadian law:

“related party” of an entity means a person, other than a person that is solely a bona fide lender, that, at the relevant time and after reasonable inquiry, is known by the entity or a director or senior officer of the entity to be:

- (a) a control person of the entity (i.e. owns more than 20% of the issuer’s voting securities);
- (b) a person of which a person referred to in paragraph (a) is a control person;
- (c) a person of which the entity is a control person;
- (d) a person that has:

- (i) beneficial ownership of, or control or direction over, directly or indirectly; or
 - (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of the entity carrying more than 10% of the voting rights attached to all the entity's outstanding voting securities;
- (e) a director or senior officer of:
- (i) the entity; or
 - (ii) a person described in any other paragraph of this definition;
- (f) a person that manages or directs, to any substantial degree, the affairs or operations of the entity under an agreement, arrangement or understanding between the person and the entity, including the general partner of an entity that is a limited partnership, but excluding a person acting under bankruptcy or insolvency law;
- (g) a person of which persons described in any paragraph of this definition beneficially own, in the aggregate, more than 50% of the securities of any outstanding class of equity securities;
- or an affiliated entity of any person described in any other paragraph of this definition.

8. Independent advice

Each director has the right, with the prior approval of the Chairman, not to be withheld except in case of an unreasonable request by a director, to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil his or her duties and responsibilities as a director.

Where the Chairman wishes to obtain independent professional advice, the Chairman must obtain the prior authorisation of the Chairman of the Audit and Risk Committee, not to be withheld except in case of an unreasonable request by the Chairman.

A copy of all such advice must be provided immediately to the Chairman, and made available at the next Board meeting following receipt of the advice, unless it is privileged according to law and would thereby be available to another party to proceedings to which the director is also a party.

Approved: March 2018

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