

CLIMATE-KIC AUSTRALIA LTD

GOVERNING BOARD CHARTER

1. PURPOSE

- 1.1 This Board Charter (Charter) sets out the role, composition and responsibilities of the Governing Board of Directors of Climate-KIC Australia Pty Ltd (Board).
- 1.2 Climate-KIC Australia Pty Ltd (Company) works in collaboration with the European Institute of Innovation and Technology, Climate Knowledge and Innovation Community (EIT Climate-KIC), to help build links between the research community, Government and commercial opportunity in driving market innovative climate change solutions.

2. ROLES AND RESPONSIBILITIES

2.1 Board

- 2.1.1 The role of the Board is to provide leadership and strategic guidance for the Company and its associated work. In performing its role, the Board aspires to excellence in governance standards.
- 2.1.2 The key responsibilities of the Board are:
 - a. ensuring the Company meets its fiduciary and legal obligations;
 - b. approving the strategic direction of the Company's work
 - c. appointing the Chief Executive Officer (CEO) and establishing clear parameters around their level of authority and delegations;
 - d. ensuring adequate reporting is undertaken by management to maintain compliance standards; and
 - e. determining appropriate organisational and governance policies to advance the overall strategic objects of the Company.

2.2 CEO

- 2.2.1 The role of the CEO is to:
 - a. report and be accountable to the Board for the performance of the Company;
 - b. support operations and administration of the Board by advising and informing Board members, interfacing between the Board and staff, and supporting the Board's evaluation of the CEO;
 - c. oversee the design, marketing, promotion, delivery and quality of programs, products and services;
 - d. advise the Board with the Company's strategy and annual business plan;
 - e. recommend an annual budget for the Board's approval and prudently manage the Company's resources within those budget guidelines in line with current legislation and regulations;
 - f. effectively manage the human resources of the Company according to policies and procedures in line with current legislation and regulations; and

- g. work closely with stakeholders to ensure that the Company and its programs, products and services are responsive to the needs of stakeholders.
- h. maintain a register of all declarations of interests by Directors for reporting to the Board as necessary.

2.3 Director

- 2.3.1 The role of Directors is to:
 - a. understand the business of the Company and monitor key developments in furthering the strategic objectives of the Company;
 - b. attend and participate in Board meetings;
 - c. be active in the Company such as through attendance at any functions or events as a representative of the Company as required by the Board from time to time;
 - d. provide independent advice and judgement to inform Board decisions; and
 - e. oversee governance and procedures relating to the Company's operations and performance.

- 2.3.2 Subject to the *Corporations Act 2001 (Cth)* (Act) and the Constitution of Climate – KIC Australia Limited (Constitution), the appointment of each Director will be for a term of two years or until the Director is removed or the Director's office is vacated in accordance with the Constitution, and for no more than two consecutive terms.

- 2.3.3 Directors are required to exercise their powers and discharge their duties with care and diligence. Under the Act, this duty requires Directors making business judgments to:
 - a. make the judgment in good faith and for a proper purpose;
 - b. not to have a material personal interest in the subject matter of the judgment;
 - c. inform themselves about the subject matter of the judgment to the extent they reasonably believe to be appropriate; and
 - d. rationally believe the judgment is in the best interests of the corporation.

- 2.3.4 Directors have a duty to make full and frank disclosure to the Board as soon as practicable of:
 - a. information within their knowledge, involving any material personal interest, that they or any associate may have in a matter that relates to the business of the Company; and
 - b. any other interest or relationship that may affect their independence in discharging their role as Director.

- 2.3.5 Directors must not improperly use information obtained through their position to gain an advantage for themselves or someone else, or to cause detriment to the Company.

- 2.3.6 Directors have a duty to disclose any conflict or potential conflict of interest to the Board as soon as practicable.
- 2.3.7 The Board will manage conflict or potential conflict of interest in accordance with the Climate-KIC Australia Constitution (Clauses 12). The Climate-KIC Australia Board Conflict of Interest Policy (attached) sets out how the Board will operate in accordance with the Constitution.
- 2.3.8 Directors must take steps to ensure they are properly informed about the financial position of the Company, that adequate financial records are kept which accurately detail this financial position, and ensure that the Company does not trade if it is insolvent.

2.4 Chair

- 2.4.1 The role of the Chair is to provide leadership to the Board, including promoting a culture of openness and continual dialogue to nurture an effective and collegial group of Directors who progress the Company's business strategically and efficiently.
- 2.4.2 The Chair's key responsibilities include:
 - a. facilitating the relationship and communication between the Board and management through the CEO;
 - b. managing the efficient organisation and conduct of the Board's functions;
 - c. overseeing regular and effective evaluations of the Board's performance;
 - d. overseeing the induction and continuing education programs for the Board; and
 - e. exercising such specific and express powers as delegated to the Chair by the Board from time to time.
- 2.4.3 The Chair, in consultation with the CEO and the Company Secretary, is also responsible for the conduct of all Board meetings. This includes being satisfied that the agendas are comprehensive, that all agenda items are appropriate and that recommendations fit within the strategic direction set by the Board.

2.5 Company Secretary

- 2.5.1 The role of the Company Secretary is to coordinate all of the Board's business, including agendas, board papers, minutes, communication with regulatory bodies and all statutory and other filings.
- 2.5.2 The Company Secretary is to maintain a register of all dealings in the Company's securities, by Directors for reporting to the Board as necessary.
- 2.5.3 Appointment and removal of the Company Secretary will be subject to Board approval.

2.5.4 All Directors shall have direct access to the Company Secretary.

3. BOARD COMMITTEES

3.1 The Board may, from time to time, establish Committees to assist the Board in exercising its authority and meeting its responsibilities as set out in Paragraph 2.1. Committees will be established in accordance with section 11 of the Constitution.

3.2 The standing Board Committee is the Finance Committee.

3.2.1 The Finance Committee consists of two Directors and the CEO.

3.2.2 The Finance Committee's role is to:

- a. oversee the financial management of the Company;
- b. liaise with Auditors;
- c. oversee and prepare financial statements on behalf of the Board;
- d. meet every two months; and
- e. report to the Board regarding the financial status of the Company.

3.3 The Board will determine the membership and composition of Board Committees, having regard to skills, experience, and any regulatory requirements.

4. BOARD MEETINGS

4.1 A meeting of Directors must be held at least every two months and at least six times in total in each calendar year.

5. BOARD PERFORMANCE

5.1 The Board will undertake ongoing assessment and review of performance of the Board, its Committees, and individual Directors annually.

6. DELEGATIONS

6.1 The Board retains all powers conferred upon it by the Constitution, the Charter, and the Act which cannot be delegated.

6.2 The Board may, from time to time, and subject to the Act, delegate their powers where they consider it to be appropriate to do so.

7. MATTERS RESERVED FOR THE BOARD

7.1 The following matters are specifically reserved for the Board:

- 7.1.1 appointment and removal of the Chair of the Board;
- 7.1.2 appointment and removal of the CEO;
- 7.1.3 appointment of Directors to fill a vacancy or as additional Directors;
- 7.1.4 establishment of Board Committees, their membership, Charters and delegated authorities;
- 7.1.5 review of corporate governance principles, policies and related public documents;

- 7.1.6 approval of expenditure in excess of the monetary authority levels delegated to the CEO (maybe delegated to the Finance Committee);
- 7.1.7 operation and management of the Climate-KIC Australia Gift Fund following its establishment;
- 7.1.8 disclosure and publication of information (statutory obligations) relating to the Company;
- 7.1.9 any changes to the authority delegated to the CEO by the Board; and
- 7.1.10 any other specific matters nominated by the Board from time to time.

8. REVIEW AND PUBLICATION OF CHARTER

8.1 The Charter is to be reviewed annually by the Board to ensure its relevance and effectiveness.

8.2 In maintaining transparency between the Board's work and the community, the Charter will be published on the Company's website.