



Charter

Board charter

Inghams Group Limited (Company)

ACN 162 709 506

Adopted by the Board on 10 October 2016



Charter

1 Introduction

The Board of the Company has adopted this Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws.

This Charter includes an overview of:

- Board composition and process; and
- the relationship and interaction between the Board, Board Committees and management.

The Board Charter and the charters adopted by the Board for its standing Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

This Charter is to be reviewed by the Board as required and at least annually.

2 Board composition

2.1 Board composition and size

- Directors are appointed by the Board and elected or re-elected by the shareholders. Non-executive Directors are engaged through a letter of appointment.
- The Board, together with the Nomination Committee, determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- It is intended that the Board should seek to re-instate a majority of independent Non-executive Directors over time and comprise Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- The Board, together with the Nomination Committee, will review the skills, experience, expertise and diversity represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Company's strategy. The Board and the Nomination Committee will have regard to this review when considering Board succession planning.

2.2 Director independence and tenure

- The Board only considers a Director to be independent where he or she is free of any interest, position, association or relationship that might influence, or might reasonably be perceived to influence, in a material respect his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally. The Board has adopted a definition of independence based on that set out in Box 2.3 of the ASX Corporate Governance Council's Principles and Recommendations (3rd edition) (see Attachment 1).



- The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in the Company and its operation and, therefore, an increasing contribution to the Board as a whole. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall Board process.
- The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non-executive Director to the Board.

3 Board role and responsibilities

3.1 Board role

The Board's role is to:

- represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives and reviewing management performance;
- protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

3.2 Board responsibilities

The responsibilities of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Chief Executive Officer (**CEO**);
- contributing to and approving management development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing, ratifying and monitoring systems of risk management, internal control and legal compliance. This includes reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and implementation of strategy and policy;
- developing and reviewing the Company's values and corporate governance policies and monitoring corporate culture, setting the tone from the top;
- developing and reviewing the Company's policies in respect of diversity, including strategies or changes to address any gender pay gap;



- setting the Company's measurable objectives for achieving gender diversity on an annual basis and assessing its progress towards achieving them, including the effectiveness of any strategies aimed at achieving the objectives;
- reviewing on an annual basis the relative proportion of women and men on the Board, in senior executive positions and in the workforce at all levels of the Group;
- approving major capital expenditure, acquisitions and divestitures, and overseeing capital management, including approving dividend payments;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- approving financial reports, profit forecasts and other reports required at law or under the ASX Listing Rules to be adopted by the Board;
- ensuring shareholders are kept informed of the Company's performance and major developments affecting its state of affairs;

evaluating, at least annually, the performance of the Board, its Committees and individual Directors in accordance with the process set out in



- Attachment 2; and
- performing such other functions as are prescribed by law or nominated by the Board from time to time.

3.3 Director responsibilities

- Directors will act at all times with honesty and integrity and will observe the highest standards of ethical behaviour.
- Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.
- Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.
- The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair, or the Board as a whole.

4 Delegation of duties and powers

4.1 Delegation to Committees

- The Board from time to time establishes Committees to streamline the discharge of its responsibilities.
- The Board adopts a formal charter for each standing Committee setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- The permanent standing Committees of the Board are the People and Remuneration Committee, the Nomination Committee and the Audit and Risk Committee.
- The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.

4.2 Delegation to management

- While the Board retains ultimate responsibility for the strategy and performance of the Company, the day-to-day operation of the Company is conducted by, or under the supervision of, the CEO as directed by the Board.
- The Board approves corporate objectives for the CEO to work towards and, jointly with the CEO, develops the duties and responsibilities of the CEO.
- The management team (being the CEO and other officers to whom the management function is properly delegated by the CEO):
 - is responsible for implementing strategic objectives, plans and budgets approved by the Board; and
 - is accountable to the Board for matters within its delegated authority.
- Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- Directors are entitled to request additional information at any time when they consider it appropriate.



5 The Company Secretary

- The Board will appoint at least one Company Secretary who is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies, and all statutory and other filings.
- The Company Secretary is accountable to the Board on all matters to do with the proper functioning of the Board.

6 Administrative matters and procedures

The proceedings of the Board will be conducted in accordance with the Constitution. A summary is provided in Attachment 3.



Attachment 1

Guidelines of the Board of Directors – Independence of Directors

Without limiting the Board's discretion, the Board has adopted the following guidelines to assist in considering the independence of Directors. In general, Directors will be considered to be 'independent' if they:

- are not employed in an executive capacity by the Company or another group member, or, if they have been previously employed in an executive capacity by the Company or another group member, there has been a period of at least 3 years between ceasing such employment and serving on the Board;
- have not within the last 3 years been a partner, director or senior employee of a provider of material professional services to the Company or another group member;
- have not within the last 3 years been in a material business relationship (e.g. as a supplier or customer) with the Company or other group member or an officer of or otherwise associated directly or indirectly someone with such a relationship;
- are not a substantial shareholder of the Company, or officer of, or otherwise associated directly or indirectly with, a substantial shareholder of the Company;
- have no material contractual relationship with the Company or another group member, other than as a director of the Company;
- do not have close family ties with any person who falls within any of the categories described above;
- have not been a director of the entity for such a period that his or her independence may have been compromised; and
- are free from any other interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.



Attachment 2

Performance evaluation process in relation to the Board and its Committees

- On an annual basis, the Board will evaluate its performance and the performance of its Committees and individual Directors.
- Evaluations of the Board, its Committees and individual Directors will be led by the Chair of the Board against a set of agreed criteria.
- Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.
- Feedback will be collected by the Chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees.
- Each Committee of the Board will also be required to provide feedback in terms of a review of its own performance.
- In the case of the Chair of the Board's performance, feedback will be collected by the Chair of the Audit and Risk Committee or an external facilitator.
- The Chief Executive Officer will also provide feedback from senior management in connection with any issues that may be relevant in the context of the Board performance review.



Attachment 3

Administrative matters and procedures

The Company's Constitution governs the regulation of Board meetings and proceedings. A summary is provided below.

Meetings

- The Board will meet regularly and Directors will use all reasonable endeavours to attend Board meetings in person.
- Periodically, Non-executive Directors will meet without the CEO or management present.

The Chair

- The Board may elect one of its members to be Chair.
- It is intended that the Chair should be an independent Non-executive Director.
- The Chair represents the Board to the shareholders and communicates the Board's position.

Quorum

Unless the Board decides differently, the quorum is at least 2 Directors.

Convening and notice of meeting

Any Director may, and the Company Secretary must upon request from any Director, convene a meeting of the Board. Notice of a meeting of the Board must be given to every Director (except a Director on leave of absence approved by the Board) and alternate Director.

Independent advice

The Board may seek the advice of the Company's auditors, solicitors or other independent advisers, consultants or specialists as to any matter pertaining to the powers or duties of the Board or the responsibilities of the Board.

Minutes

Minutes of meetings of the Board must be kept by the Company Secretary and, after approval and signing by the Chair, be presented at the next Board meeting. All minutes of the Board must be entered into a minute book maintained for that purpose within 1 month and be available for inspection by any Director.