

## RESONANCE HEALTH LIMITED

### Board Charter

#### 1. Introduction

- 1.1 In carrying out its responsibilities and exercising its powers, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the shareholders of Resonance Health Limited (the Company), as well as its employees, customers, and the community. It works to promote and maintain an environment within the Company that establishes these principles as basic guidelines for all of its employees and representatives at all times.

#### 2. Purpose

This document summarises the role, responsibilities, policies and processes of the Board of Resonance Health Limited and comments on the Board's approach to corporate governance.

#### 3. Role

The Board is the governing body of the Company. The Board and the Company act within a statutory framework – principally the Corporations Act and also the Constitution of the Company. Subject to this statutory framework, the Board has the authority and the responsibility to perform the functions, determine the policies and control the affairs of Resonance Health Limited.

The Board must ensure that Resonance Health Limited acts in accordance with prudent commercial principles, and satisfies shareholders – consistent with maximising the Company's long term value.

3.1 The Board is responsible for:

- (a) charting the direction, strategies and financial objectives of the Company and ensuring appropriate resources are available;
- (b) monitoring the implementation of those policies and strategies and the achievement of those financial objectives;
- (c) monitoring compliance with control and accountability systems, regulatory requirements and ethical standards;
- (d) ensuring the preparation of accurate financial reports and statements;

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### 3. Role Cont'd

- (e) reporting to shareholders and the investment community on the performance and state of the Company; and
- (f) reviewing on a regular and continuing basis:
  - executive succession planning (in particular for the Chief Executive Officer); and
  - executive development activities.

3.2 In performing the responsibilities set out above the Board acts at all times:

- (a) in a manner designed to create and build sustainable value for shareholders; and
- (b) in accordance with the duties and obligations imposed upon them by the Company's constitution and by law.

### 4. Powers

4.1 In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:

- (a) appointing and removing the Chief Executive Officer and determining his or her terms and conditions of employment (including remuneration);
- (b) reviewing and ratifying each of the following:
  - systems of risk management and internal control and compliance, codes of conduct and legal compliance;
  - financial and other reporting; and
  - major capital expenditure, capital management, and acquisitions and divestitures;
- (c) any matters in excess of discretions that, from time to time, it may have delegated to the Chief Executive Officer and senior management (for instance, in relation to capital expenditure);and
- (d) approving each of the following, on the recommendation of the Chief Executive Officer where appropriate:
  - i. the strategic plan, at least annually;
  - ii. the budget, at least annually;
  - iii. the appointment and, where appropriate, the removal of the Chief Financial Officer, Company Secretary, and other senior executives reporting to the Chief Executive Officer;

### 4. Powers Cont'd

- iv. the remuneration and conditions of service, including financial incentives, for the Chief Financial Officer, Company Secretary, and other senior executives reporting to the Chief Executive Officer;
- v. significant changes to organisational structure and the appointment of such senior executives as the Board may determine;
- vi. the acquisition, establishment, disposal or cessation of any significant business of the Company;
- vii. the issue of any shares, options, equity instruments or other securities in the Company;
- viii. any public statements which reflect significant issues of the company policy or strategy; and
- ix. any changes to the discretions delegated from the Board.

The Board delegates responsibility for day-to-day management of the Company to the Chief Executive Officer. However, the Chief Executive Officer must consult the Board on matters that are sensitive, extraordinary or of a strategic nature. •

Share Trading Policy - Directors and senior management (and their associates) are prohibited from engaging in short-term trading of the Company's securities. In addition, Directors and senior management must notify the Company Secretary or Chief Executive Officer before they or their close relatives buy or sell the Company's securities. The policy also restricts the buying or selling of the Company's securities to and such other times as the Board permits.

- The Board is also ultimately responsible for ensuring compliance of the Company's officers and employees with other company policies including:
  - Continuous Disclosure;
  - Equal Employment Opportunity;
  - Employees' and Corporate Reputation;
  - Health & Safety;
  - Regulatory compliance;
  - Privacy;
  - Environment;
  - Security; and
  - Treasury Transactions.

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### 5. Board Membership

- 5.1 The Board should comprise a majority of independent directors.
- 5.2 The Directors appoint an independent Director as Chairman of the Board.

### 6. Independence

- 6.1 An independent Director is a non-executive Director (i.e. is not a member of management) and:
  - (a) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
  - (b) within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director of the Company within three years after ceasing to hold any such employment;
  - (c) within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
  - (d) is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
  - (e) has no material contractual relationship with the Company or another group member other than as a Director of the Company;
  - (f) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company;
  - (g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

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- 6.2 For the purpose of this Section 6,
- (a) "principal" does not include a non-executive Director;
  - (b) "material professional adviser" does not include a professional adviser providing less than 25% of professional advisory services of a same or similar nature to the company and its group members; and
  - (c) the guidelines contained in Australian Accounting Standard AASB 1031 "Materiality" are followed in determining whether a supplier or customer is a "material supplier or customer".

### 7. Meetings

- 7.1 Board and committee papers are provided to Directors, where possible, five days prior to the relevant meeting.
- 7.2 The non-executive Directors meet at least twice each year for private discussion of management issues.

### 8. Board Committees

- 8.1 The Board from time to time establishes committees to assist it in carrying out its responsibilities, and adopts charters setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.

### 9. The Chairman

- 9.1 The Directors elect one of their number to the office of Chairman and may determine the period for which that Director is to be Chairman.
- 9.2 The Chairman presides over meetings of the Board and general meetings of shareholders.

### 9. The Chairman Cont'd

9.3 The Chairman is responsible for the integrity of the Board process and the functioning of the Board. This contrasts with the role of the Chief Executive Officer which is responsible for the functioning of the organisation, and the Company Secretary, who is responsible for the integrity of Board documents.

### 10. The Chief Executive Officer

10.1 The Chief Executive Officer's duties are to:

- (a) devote the whole of his or her time, attention and skill during normal business hours and at other times as reasonably necessary, to the duties of the office;
- (b) be accountable for planning, coordinating and directing the operations of the Company to achieve strategic, financial and operating objectives as agreed with the Board;
- (c) formulate and recommend business and financial strategies and plans to develop the Company's business and to implement these plans to achieve agreed performance targets;
- (d) promote the interests of the Company; and
- (e) faithfully and diligently perform the duties and exercise the powers:
  - i. consistent with the position of a Chief Executive Officer of the Company; and
  - ii. assigned by the board.

10.2 In fulfilling his or her duties, the Chief Executive Officer:

- (a) reports directly to the Board;
- (b) provides prompt and full information to the Board regarding the conduct of the business of the Company; and
- (c) complies with reasonable directions given by the Board.

### 11. The Company Secretary

11.1 The Company Secretary supports the effectiveness of the Board by:

- (a) monitoring that Board policy and procedures are followed; and

**11. The Company Secretary Cont'd**

- (b) co-ordinating the completion and despatch of Board agendas and Board information packs.

11.2 The Company Secretary is responsible to the Board, through the Chairman, on all governance matters.

**12. Self Assessment**

12.1 The Board undertakes an annual performance evaluation of itself that:

- (a) compares the performance of the Board with the requirements of its Charter; and
- (b) effects any improvements to the Board Charter deemed necessary or desirable.

12.2 The performance evaluation is conducted in such manner as the Board deems appropriate.

**13. Appointment**

13.1 Letters of appointment for each new appointment to the Board set out the key terms and conditions relative to the appointment.

**14. Term of Office**

14.1 Directors are appointed for terms not exceeding three years but are eligible for reappointment. Directors appointed during the year are required to have their appointment confirmed by the shareholders in general meeting.

14.2 There is no maximum age for Directors.

**15. Commitment**

15.1 The commitment required by Non-executive directors in order to fulfil their obligations to the Board is expected to be the equivalent of approximately 25 days per year.