

Board Charter

Allwellness Holdings Group Ltd
ACN 604 613 050



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Board Charter

Date adopted by the Board:

1. Introduction

1.1 Purpose

The Board is primarily responsible for ensuring that the Company has an appropriate corporate governance structure to ensure the creation and protection of shareholder value.

This Charter sets out the principles for the operation of the Board and the functions and responsibilities of the Board and management of the Company.

1.2 Objectives

The Board is responsible for the overall operation and stewardship of the Company. Its objectives are to advance the Company's strategic direction in all of its day to day activities in a way that:

- (a) provides clear accountability;
- (b) protects the rights and interests of shareholders and other stakeholders;
- (c) provides for proper management of the Company's assets;
- (d) supports the achievement of the Company's fiduciary duties, workplace health and safety environment, social and other obligations;
- (e) preserves and enhances the Company's reputation and standing community; and
- (f) supports the achievement of shareholder value within a framework of appropriate risk assessment and management.

1.3 ASX Corporate Governance Principles

To the extent practicable, the Company endorses and seeks to follow the ASX Corporate Governance Principles.

2. Definitions and interpretation clauses

2.1 Definitions

General terms and abbreviations used in this Charter have the following meaning set out below:

Accounting Standards has the meaning given to that term in section 9 of the Corporations Act.

Annual General Meeting means the annual general meeting of the Company.

NSX	means National Stock Exchange of Australia Limited ABN 11 000 902 063 or the securities market operated by National Stock Exchange of Australia Limited, as the case may be
ASX Corporate Governance Principles	means the ASX Corporate Governance Council' <i>Corporate Governance Principles and Recommendations</i> (3 rd edition, 2014.)
NSX Listing Rules	means the listing rules of the NSX, as amended from time to time.
Board	means the board of Directors of the Company.
Chairman	means Chairman of the Board.
Charter	means this "Board Charter".
Company	means Allwellness Holdings Group Limited ACN 604 613 050.
Constitution	means the Company's constitution.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Managing Director	means the Managing Director, or equivalent chief executive officer, of the Company.
Officer	means a senior executive of the Company.
Secretary	means the company secretary of the Company.

3. Compliance and Governance Materials

3.1 Constitution

The Constitution is the key to governance The Board and the Company must comply at all times with the provisions of the Constitution.

3.2 Compliance with Laws

As a public company listed on the NSX, the Company must comply with the Corporations Act, the NSX Listing Rules as well as all other applicable laws, moral codes and statutes. Examples of applicable areas of regulation include:

- (a) occupational health & safety legislation;
- (b) environmental protection legislation;
- (c) employment related laws; and
- (d) anti-discrimination legislation.

The Company must also ensure each of the Company's subsidiaries complies with all laws applicable to them and their operations.

3.3 **Governance materials**

The operations and conduct of the Company are administered in accordance with all governance materials approved by the Board, including but not limited to:

- (a) this Charter;
- (b) the Company's Code of Conduct; and
- (c) the Company's Share Trading Policy; and

The Board will review each of these policies at least annually.

4. **Responsibilities**

4.1 **General**

In general, the Board is responsible for, and has the authority to determine, all matters relating to the planning, policies and practices of the Company. It establishes goals for management and ensures that the business of the Group is managed in a manner consistent with the agreed objectives.

4.2 **Corporate governance**

The Board is responsible for the overall corporate governance and successful operation of the Company. The Board conducts itself honestly, fairly and diligently, in the best interests of the Company as a whole. The Board also ensures that the Company adopts the highest standards of behaviour and accountability, and complies with all of its contractual, statutory and any other legal or regulatory obligations.

Where not available from amongst the Directors themselves, the Board may seek and review particular external expertise or information prior to making a final decision.

4.3 **Principal functions**

Without intending to limit the general role of the Board, the specific principal functions and responsibilities of the Board include:

- (a) appointing, monitoring, and where appropriate removing, senior executives;
- (b) establishing and monitoring executive succession planning;
- (c) providing leadership and setting the Company's strategic direction, objectives and goals;
- (d) the prudential control of the Company's finances monitoring its financial performance, budgets and major capital expenditure;
- (e) evaluating the implementation of strategy and business performance of the Company;
- (f) resourcing, reviewing and evaluating executive management;

- (g) ensuring the existence of, and compliance with, adequate internal control systems;
- (h) identifying and managing significant business risks in accordance with the
Company's risk management and internal compliance;
- (i) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (j) ensuring timely, accurate and effective communication with, and reporting to, shareholders, the market and relevant regulatory bodies;
- (k) ensuring timely and balanced disclosure of all material information relating to the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (l) overseeing the management of occupational health and safety and environmental compliance and performance;
- (m) establishing and maintaining appropriate ethical standards and codes of conduct;
- (n) approving the Company's remuneration policies;
- (o) evaluating and adopting, with or where appropriate without modification, the ASX Corporate Governance Principles; and
- (p) supervising compliance with the Company's corporate governance policies.

5. Composition

5.1 General

- (a) The Board's Directors are business leaders and professionals from both industry and financial backgrounds. Management is therefore exposed to, and benefits from, a diverse range of views on the issues raised before the Board.
- (b) Each Director must be able to add value meaning, the Board must:
 - (i) be comprised of Directors who are financially literate, at least one of whom has financial expertise; and
 - (ii) demonstrate an appropriate mix of skills, experience, diversity and knowledge to discharge its responsibilities and objectives.
- (c) The Board must review the range of expertise of its members regularly, and ensure that it has operational and technical expertise adequate to support the operation of the Company. Accordingly, the number of Directors may be increased where additional expertise is required in specific areas or when an outstanding candidate is identified.

- (d) The Board should consist of at least two independent Directors.

5.2 **Size**

- (a) In accordance with the Constitution and the Corporations Act, the Board will at all times have at least three Directors.
- (b) The Board is currently composed of 3 comprising 2 non-executive Directors and one executive Director.
- (c) The composition of the Board is, and will continue to be, determined on the basis that the Board requires that the Directors collectively have a broad range of technical and commercial expertise and experience in a field complementary to the Company's and /or appropriate experience to the Company and its business.
- (d) The Board should be comprised of Directors with a relevant blend of personal experience in accounting and finance, law, vocational education, financial management and public company administration, and director-level business or corporate experience comparable with the scale and nature of the activities of the Company. As at the date of this Charter, Directors have been appointed based on the specific corporate and governance skills and experience required by the Company. New appointments are to be made on this same basis assessing the needs at the time.

5.3 **Alternate Directors**

Directors may appoint alternate Directors in accordance with the Constitution.

5.4 **Appointment and Removal of Directors**

Directors will be appointed and removed in accordance with the Corporations Act and the Constitution.

5.5 **Independent Directors**

As a general principle, independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationships and are willing to express an objective opinion.

The approach and attitude of a non-executive Director is a critical factor in determining his or her independence. Other relevant factors include whether the non-executive Director:

- (a) is not a substantial shareholder of the Company or an Officer of, or otherwise associated directly with, a substantial shareholder of the Company (as defined in section 9 of the Corporations Act);
- (b) has not, within the last three years, been employed in an executive capacity by the Company or another Group member, or been a Director after ceasing to hold any such employment;

- (c) has not, within the last three years, 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, or has not within the last three years been, 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;
- (f) has not served on the Board for a period in the past which could, or could reasonably be perceived to, compromise the Director's independence or materially interfere with the Director's ability to act in the best interest of the Company; and
- (g) is free from any interest and any business, familial or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interest of the Company.

The Board currently has 2 non-executive Directors, each of whom are considered to be independent Directors.

The Board will regularly assess, at least annually, the independence of each of the non-executive Directors based on the interests and associations they disclose and all other available, relevant information.

The Board recognises that the tenure of a Director alone will not be sufficient to determine whether a Director's independence has been compromised. However, the Board should regularly assess whether a Director, who has served for more than ten years, has become too close to management to be considered independent.

5.6 Annual Report Disclosure

The Board may classify a Director as independent, notwithstanding his or her failure to meet any of the abovementioned criteria. In this case, the Board will state its reasons for making such a decision in the Company's annual report.

The Board will make immediate disclosure to the market if a Director loses his or her independent status.

The Board must ensure that each annual report of the Company discloses:

- (a) the names of the Directors who are considered by the Board to be independent;
- (b) the reasons for considering a Director to be independent;
- (c) the reasons for considering a Director to be independent despite failure to meet the abovementioned criteria; and
- (d) the period of office of each Director.

6. Nominations

The Board will consider nominations for appointment or election of Directors that may arise from time to time having regard to:

- (a) the corporate and governance skills required by the Company;
- (b) the ASX Corporate Governance Principles; and
- (c) the procedures outlined in the Constitution and the Corporations Act.

7. Appointment of Directors

The Board will determine whether or not to recommend a Director to shareholders for election or re-election or to appoint a Director to fill a casual vacancy.

The Board notes the Company's Constitution precludes a Director (except a Managing Director) from holding office for more than three years, or beyond the third Annual General Meeting after appointment (whichever is the longer) without submitting himself or herself for re-election. The Company's Constitution requires that at least one third of the Directors must retire or be re-elected each year.

Subject to the number of Directors allowed under the Constitution, a Director may be appointed by an ordinary resolution of the Company in a general meeting. Where a Director's position becomes vacant the Board may appoint such replacement to fill the casual vacancy. Replacement Directors appointed hold office only until the commencement of the next Annual General Meeting of the Company at which meeting that Director may stand for election to the Board.

The terms and conditions of the appointment and retirement of members of the Board after the date of this Charter will be set out in a letter of appointment to be issued to each Director elected or appointed to the Board, which will include the following matters:

- (a) term of the appointment, subject to member approval;
- (b) time commitments envisaged;
- (c) powers and duties of all Directors;
- (d) any special duties or arrangements attaching to the particular Director's position;
- (e) circumstances in which an office of Director becomes vacant;
- (f) expectations regarding involvement with committee work;
- (g) remuneration, including superannuation and expenses;
- (h) requirement to disclose Director's interests and any matters which affect the Director's independence;
- (i) details of fellow Directors;

- (j) dealings in securities governed by the trading policy (including any share qualifications) and related financial instruments by Directors, including notification requirements;
- (k) induction training and continuous education arrangements;
- (l) Board policy on access to independent professional advice;
- (m) indemnity and insurance arrangements;
- (n) confidentiality and rights of access to corporate information;
- (o) a copy of the Constitution; and
- (p) an organisational chart of management structure.

8. Education

8.1 New Directors

New Directors will undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations on the Company's history and scope of activity.

8.2 Continuing professional development

To ensure continuing improvement in Board performance, all Directors are encouraged to undergo professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified, and to receive continuing education concerning key developments in the Company and in the industry and environment within which the Company operates.

9. Performance review and evaluation

9.1 Policy of Board

It is the policy of the Board to ensure that the Directors and executives of the Company are equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed.

The Company should implement and disclose a process for regularly reviewing the performance of the Board, its committees, individual Directors and senior executives. The Company should also disclose whether a performance evaluation was carried out in relation to each reporting period in accordance with the Company's performance review process.

9.2 Nomination and Remuneration Committee

The Company has established a Nomination and Remuneration Committee to review and evaluate the performance of the Board, individual Directors and executives on an annual basis.

10. Directors' remuneration

10.1 Determination of fees and salaries

The fees and salaries paid to both executive and non-executive Directors will be set by the Board.

10.2 Dealing in securities

In line with the Company's desire to maintain the independence of the Directors, each Director is permitted to deal in securities of the Company in accordance with the Company's Share Trading Policy.

11. Meetings and operation of the Board

11.1 Frequency of board meetings

The Chairman and Secretary intend to schedule monthly formal Board meetings unless otherwise determined by the Board, and will also meet as frequently as may be required to deal with urgent matters. The Board may resolve matters by way of circulating resolutions where appropriate signed by all directors, which may either be in place of, or in addition to, formal Board meetings.

11.2 Directors may serve on other boards

It is recognised and accepted that Board members may concurrently serve on other boards in an executive or non-executive capacity, subject to normal corporate governance considerations such as the duty to avoid conflicts of interest.

11.3 Dedication of time

Individual Directors are requested to consider the number and nature of their directorships, and the calls on their time made by other commitments. Each Director must commit sufficient time and skill to carry out his or her duties as a Director.

12. Independent professional advice

Any Director may take such independent legal, financial or other advice as he or she considers necessary at the reasonable expense of the Company on any matter connected with the discharge of his or her responsibilities. Any Director seeking independent advice must first discuss the request with the Chairman who will facilitate obtaining such advice. The Chairman may determine that any advice received by a Director be circulated to the Board.

13. Access to the Company information and confidentiality

All Directors have the right of access to all relevant Company books and to the Company's executive management. In accordance with legal requirements and agreed ethical standards, Directors and executives of the Company have agreed to keep confidential all

information received by them in the course of the exercise of their duties. Directors and executives will not disclose non-public information of the Company except where disclosure is authorised or legally mandated.

14. Allocation of responsibilities

14.1 Chairman

The Board elects the Chairman in accordance with the Constitution.

The Chairman leads the Board and has responsibility for ensuring that the Board receives accurate, timely and clear information, to facilitate the performance of its duties.

The Chairman authorises the expenses of all other Directors and the Managing Director.

The position of Chairman will be reviewed by the Board at the first Board meeting following the Annual General Meeting.

The Chairman's specific duties are to:

- (a) Chairman Board meetings. If the Chairman is not present within 15 minutes of the time appointed for the holding of that meeting, the deputy Chairman (if one is elected) will assume this role; if the deputy Chairman is not present or there is no deputy Chairman, a Director chosen by a majority of Directors present will assume this role. Where the Company has Joint Chairmen for the purposes of meetings then Independent Directors in that role will chair the meetings unless unable to attend in which the other Joint Chairman will Chair the meetings
- (b) establish the agenda for Board meetings in consultation with the Managing Director and the Secretary;
- (c) ensure Board minutes properly reflect Board decisions;
- (d) be the spokesperson for the Company at the Annual General Meeting and in the reporting of performance and profit figures. The Managing Director no will undertake all other public relations activities;
- (e) be the major point of contact between the Board and the Managing Director;
- (f) be kept fully informed of current events by the Managing Director on all matters which may be of interest to Directors;
- (g) regularly review progress on important initiatives and significant issues facing the Company with the Managing Director and such other Officers as the Managing Director recommends;
- (h) provide mentoring for the Managing Director;
- (i) Chair the Managing Director evaluation process conducted by the Board; and
- (j) commence the annual process of Board and Director evaluation.

The Chairman is not entitled to vote or participate in the deliberations on any matter in which he or she has a personal interest, unless there is compliance with the conflict of interest provisions under the Company's Constitution and the Corporations Act.

The Chairman may be removed from office in accordance with the Constitution.

14.2 Individual Directors

In accordance with statutory requirements, and in keeping with legal developments, Directors must:

- (a) set a standard of honesty, fairness, integrity, diligence and competence in respect of their positions as Directors;
- (b) exercise their powers and discharge their duties in good faith and in the best interests of the Company;
- (c) use their powers of office for a proper purpose and not for personal advantage or for the benefit of another party;
- (d) maintain the confidentiality of all information acquired in the course of conducting the role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board or is required by law or by the NSX Listing Rules;
- (e) use due care and diligence;
- (f) make all reasonable efforts to become and remain familiar with the affairs of the Company;
- (g) attend all Board meetings and Board functions unless there are valid reasons for non-attendance; and
- (h) commit the necessary time and energy to Board matters to ensure that they are contributing their best endeavours in the performance of their duties for the benefit of the Company, without placing undue reliance on other Directors to fulfil these duties.

14.3 The Managing Director

The Managing Director is appointed by the Board and is responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board. The Board may replace the Managing Director where necessary.

The Managing Director's responsibilities include:

- (a) working with the Board to develop a consensual direction;
- (b) working with the Company's management to construct programs capable

- of implementing the Boards decisions;
- (c) negotiating the terms and conditions of senior executive's appointments and presenting them for Board approval;
 - (d) appointing the senior management team;
 - (e) endorsing the terms and conditions of appointment of all other staff members;
 - (f) providing strong leadership to, and effective management of, the Company in order to:
 - (i) encourage co-operation and teamwork;
 - (ii) build and maintain staff morale; and
 - (iii) build and maintain a strong sense of staff identity with, and a sense of allegiance to, the Company;
 - (g) ensuring a safe workplace for all personnel;
 - (h) ensuring a culture of compliance generally, specifically in relation to environmental matters;
 - (i) carrying out the day-to-day management of the Company;
 - (j) forming other committees and working parties from time to time as necessary to assist in the orderly conduct and operation of the Company;
 - (k) keeping the Board adequately informed in relation to the activities of the Company; and
 - (l) ensuring that all personnel act with the highest degree of ethics and probity.

The Board formally delegates to the Managing Director the power to authorise all expenditure provided for in the budget previously approved by the Board, except:

- (a) Managing Director remuneration outside of normal monthly remuneration, which must be authorised by the Board;
- (b) business related expenses paid to the Managing Director, which must be authorised or ratified by the Board; and
- (c) the terms and conditions under which individuals appointed to specific management roles by the Managing Director, which must be approved by the Board.

15. Secretary

The Secretary is appointed in accordance with the Constitution.

The Secretary may be appointed or removed by the Board and is responsible for developing and maintaining the information systems and processes required such that the Board can fulfil its role. The Secretary is directly accountable to the Board, through the Chairman, on all matters relating to the proper function of the Board including ensuring Board compliance with procedures and other governance requirements. The Secretary is also responsible for overseeing and coordinating disclosure of information to the NSX as well as communicating with the NSX.

Each Director should be able to communicate directly with the Secretary and vice versa.

The specific tasks of the Secretary include:

- (a) overseeing the Company's compliance program legislative obligations;
- (b) advising the Board and its committees on corporate governance matters;
- (c) ensuring that the agenda and briefing materials for Board meetings are prepared and forwarded to Directors in a timely and effective manner;
- (d) recording, maintaining and distributing the minutes of all Board and Board subcommittee meetings as required;
- (e) preparing for and attending all general meetings of the Company and ensuring that the correct procedures for convening and conducting such meetings are followed;
- (f) recording, maintaining and distributing the minutes of all Annual General Meetings and extraordinary general meetings of the Company;
- (g) assisting in organising and facilitating the induction and professional development of Directors;
- (h) meeting statutory reporting requirements in accordance with relevant legislation; and
- (i) any other services required by the Managing Director or Chairman.

16. Declaration

Section 295A of the Corporations Act requires that, before the Directors' declaration in the Company's financial statements for a financial period is made, each of the Managing Director and the CFO (or equivalent) must provide the Board with a declaration confirming that in that person's opinion:

- (a) the Company's financial records have been properly maintained in accordance with section 286 of the Corporations Act;
- (b) the financial statements and notes comply with accounting standards;
- (c) the financial statements and notes give a true and fair view of the Company's financial position in accordance with section 297 of the Corporations Act; and

- (d) any other matters that are prescribed by the Corporations Regulations 2001 (Cth) for the purposes of section 295A in relation to the financial statements and the notes are satisfied.

In accordance with Recommendation 4.2 of the ASX Corporate Governance Principles, the Board must also receive assurances from each of the Managing Director and CFO (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting.

17. Disclosure in annual report

The Board will disclose in the Company's annual report whether it has received assurance from each of the Managing Director and CFO (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

18. Codes of Conduct

18.1 Conflicts of interest

To ensure that Directors are at all times acting in the interests of the Company, Directors must:

- (a) disclose to the Board any actual or potential material personal interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- (b) take such necessary and reasonable steps to avoid conflicts of interest as required by law and remove any potential conflict of interest if requested by the Board, within seven days or such further period as may be permitted.

If a Director cannot or is unwilling to remove a material personal interest then the Director must, in accordance with the Corporations Act, absent himself or herself from the room when Board discussion and/or voting occurs on matters about which the material personal interest relates (save with the approval of the remaining Directors and subject to the Corporations Act).

18.2 Related party transactions

Related party transactions between a Director(s) and the Company are regulated by the Corporations Act and the NSX Listing Rules. It must be determined that:

- (a) an exemption under the Corporations Act wholly applies (see ASIC Regulatory Guide 76: related party transactions); and

The Company must also disclose related party transactions in its financial report as required under relevant Accounting Standards.

18.3 Share dealings and disclosures

The Company's Share Trading Policy regarding Directors, executives and employees dealing in its securities, is set by the Board. The Share Trading Policy restricts Directors, Officers and employees from:

- (a) trading in the Company's securities in certain closed periods; and
- (b) acting on material information until that information has been released to the market and adequate time has been given for the market to factor that information into the determination of the Company's share price. Officers, employees and Directors are required to consult the Chairman, the Board and Secretary respectively, prior to dealing in securities in the Company or other companies with which the Company has an interest in and/or relationship with.

Dealings are not permitted at any time whilst the person proposing to deal is in possession of price sensitive information not yet available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

18.4 Review

This Charter will be reviewed regularly by the Board, having regard to any changes to legislation, best practice or the circumstances of the Company.

Updates and amendments to this Charter will be the responsibility of the Secretary. All new management or other relevant staff will be provided with a copy of this Charter as part of their induction into the Company. Any updates or amendments as approved by the Board will be notified to appropriate Officers and staff by the Secretary.

19. Variation

The Board may change this Charter by resolution.

20. Disclosure of Charter

This Charter will be made available, and updated as required on the Company's website in a clearly marked "Corporate Governance" section.