



**BOARD OF DIRECTORS CHARTER**

**COMPASS HOTEL GROUP LIMITED ACN 127 909 835****BOARD OF DIRECTORS' CHARTER****Objectives**

The main objectives of the Board of Directors are to bring an independent and objective view to the Company's decisions and to oversee the performance and activities of management.

**Responsibilities**

The specific responsibilities of the Board of Directors encompass the matters specified in the Constitution and the management of the Board's affairs.

**Performance**

- Shareholder/Stakeholder communication;
- Creating sustainable value:
  - (i) ensuring the Company's long term viability and enhancing its financial position.
- Developing strategic foresight:
  - (i) formulating the overseeing and implementation of corporate strategy; and
  - (ii) approving the business plan, budget and corporate policies.
- Measuring and monitoring performance;
- Ensuring the Company acts as and is seen as an industry leader in the area of compliance;
- Creating a reputation for co-operation, good communication with stakeholders and industry excellence in staff training;
- Agreeing to key performance indicators for incorporation into the management of the Company;
- Monitoring and assessing performance of the Company, the Board itself, management and major projects;
- Overseeing the risk management framework and monitoring business risks;
- Preserving and promoting corporate culture;
- Managing management; and
- Corporate Stewardship:

- (i) monitoring developments in the hospitality industry, including liquor licensing.

### **Compliance/legal conformance**

- Understanding and protecting the Company's financial position;
- Requiring and monitoring legal and regulatory compliance including compliance with accounting standards, trade practices legislation, liquor licensing legislation, corporations law, privacy law, occupational health and safety and other relevant laws and regulations;
- Approving annual accounts and annual reports;
- Approving all continuous disclosure, media releases, public policy statements, documents and sensitive reports;
- Periodically reviewing the Constitution and Trust; and
- Ensuring an efficient and effective system of internal controls exist and is operating as expected.

### **Overall Operations**

- Establishing the Company's vision, mission, values and ethical standards;
- Delegating an appropriate level of authority to management;
- Demonstrating corporate stewardship;
- Assuming responsibility for the relationship with the CEO including his appointment, succession, performance, assessment, remuneration and dismissal;
- Overseeing aspects of the employment of the management team including remuneration, performance and succession planning;
- Reviewing performance of external Auditors;
- Ensuring effective communication to Shareholders and other Stakeholders; and
- Crisis management.

### **Chairman**

The person elected to lead and manage the Board in accordance with the Constitution.

### **Chairman's Tenure**

Subject to the provisions of the Constitution, the Chairman is elected for a term to be determined by the Board. At the end of the term, the person shall be eligible for re-election.

**Board Composition**

The Board shall consist of Directors (or their duly elected alternates) elected by the Shareholders in accordance with the Constitution.

**Board Tenure**

Subject to the provisions of the Constitution, to the contrary, Directors are elected for term of three years. At the end of their respective terms, Directors shall be eligible for re-election.

**Review of the Board**

The performance of the Board will be reviewed annually by the Chairman, by use of a combination of:

- assessment questionnaires;
- confidential (non-attribution) interviews;
- (if deemed necessary by the Chairman), a workshop to discuss findings; and

or such other means as the Chairman may from time to time determine.

**Meetings**

The Board shall meet at least six times annually and at such other times as the Board may from time to time determine.

**Quorum**

A quorum shall consist of two (2) Directors, unless fixed as another number by the Directors at a Directors' meeting.

**Access**

The Chief Executive Officer, Company Secretary and the Chief Financial Officer may attend all open sessions of the Board upon invitation from the Chairman and such closed sessions as the Chairman may determine.

**Board Decisions**

Decisions of the Board shall be binding in accordance with their terms.

**Budgets**

The budget of the Board shall be determined by the Board following recommendation from the Chief Executive Officer and the Audit Committee and shall be administered by the Chief Executive Officer.

**Reporting**

Minutes of the Board shall be made available in accordance with the provisions of the *Corporations Act 2001*. The Board shall report to Shareholders and Stakeholders annually

through the provision of annual and half year accounts, an annual and half year report and at an Annual General Meeting called in accordance with the law.

### **Public Relations**

The Chairman and the Chief Executive Officer will act as primary spokespersons for the Board. The Board may delegate authority to designated members of management to comment on particular matters from time to time as may be required in accordance with such policies as the Board may determine.

### **Business Plan**

The Board shall agree on a business plan for the Company which shall be agreed between the Board and Management.

### **Travel Arrangements**

Travel arrangements for the Directors shall be in accordance with the travel policy established by management from time to time.

### **Committees**

In accordance with the Constitution, the Board may appoint Committees with such powers (not exceeding its own) as it may determine, from time to time.

### **Commitment to this Charter**

All Directors agree and commit to be bound by the terms and the spirit of this Charter, as amended, from time to time.