

## 1. Introduction

The Board is responsible for the overall leadership, stewardship, strategic direction, governance and performance of Cleanaway Waste Management Limited (**Cleanaway** or **Group**).

Its objectives are to:

- oversee and monitor the strategic direction of Cleanaway and provide effective oversight of its management and business activities;
- optimise Cleanaway's performance so as to create and build sustainable value for shareholders within a framework of appropriate risk assessment and management; and
- seek to ensure Cleanaway acts in accordance with its legal and other obligations.

The Board is committed to, and expects the highest standards of, behaviour and accountability from all Directors, Senior Executives and employees of Cleanaway.

This Charter sets out the functions and responsibilities of the Board of Cleanaway.

## 2. Constitution

The Board is established by Cleanaway's Constitution, under which it is vested with the power to manage the Company.

The Board may delegate certain of its powers to the Chief Executive Officer (**CEO**), Board Committees and other persons.

The Board always retains ultimate authority over management of Cleanaway and its controlled entities.

The Constitution governs the regulation of the meetings and proceedings of the Board.

## 3. Board composition

Under the Constitution, Cleanaway must have not less than 3, and not more than 10, Directors.

The majority of the Board should be Non-Executive Directors, who are determined by the Board to be independent.

A Non-Executive Director is deemed to be independent if he or she is not a member of management and is free of any interest, position, association or relationship that might influence, or 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 Cleanaway and its shareholders generally.

When determining the independent status of a Non-Executive Director, the Board will take into account the factors relevant to assessing the independence of a director as specified by the ASX Corporate Governance Council, including whether that Director:

- is, represents, or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, the Cleanaway Group;
- is or has been employed in an executive capacity by the Cleanaway Group, and there has not been a period of at least 3 years between ceasing such employment and serving on the Board;
- is or has been within the last 3 years in a material business relationship (for example, as a supplier, professional adviser, consultant or customer) with the Cleanaway Group, or an officer of, or otherwise associated with, someone with such a relationship;
- has a material contractual relationship with the Cleanaway Group other than as a director;
- has close personal ties with any person who falls within any of the categories described above. Personal ties may be based on family, friendship or other social or business connections; or
- has been a director of Cleanaway for such a period that his or her independence may have been compromised.

It is the Board's policy that Non-Executive Directors will have a maximum period of service of 12 years from the date of their appointments, unless the Board determines otherwise.

The Board will determine relevant materiality thresholds for the purposes of independence from time to time and will have regard to the specific circumstances of an individual Non-Executive Director.

If a Director is or becomes aware of any information, facts or circumstances which will or may affect that Director's independence, the Director must immediately disclose all relevant details in writing to the Company Secretary and the Chairperson.

The Board will regularly assess the independence of each Director to ensure that the Board continues to comprise a majority of independent Non-Executive Directors.

Whilst shareholders ultimately appoint Directors, the Board shall select and recommend candidates to shareholders, with the benefit of recommendations made by the Human Resources Committee. Appropriate background checks will be undertaken before the person's appointment as a director.

The Board will be comprised of Directors with a range of backgrounds and experience who have the appropriate range of skills, expertise and experience to efficiently and effectively govern the Group.

New Directors shall be given a thorough briefing by the Chairperson and/or Company Secretary on key Board issues and provided with appropriate background documentation. These issues shall include:

- Cleanaway's financial, strategic, operational and risk management position;
- their rights, duties and responsibilities;
- the role of the Board and Board Committees;
- the culture, values and mission of Cleanaway;
- the roles and responsibilities of senior executives;
- meeting arrangements; and
- Director interaction with each other, Senior Executives and other stakeholders.

Each Non-Executive Director receives a formal letter of appointment setting out their responsibilities and key terms of engagement. The CEO enters into an executive services agreement upon appointment.

All Directors shall submit themselves for re-election in accordance with the Constitution. The Board will inform shareholders whether the Board supports the election or re-election of a candidate as a Director.

#### **4. Performance assessment**

The Board shall undertake regular reviews of its effectiveness, and the effectiveness of the Board, Committees and individual Directors.

The Directors shall have access to continuing education to update and enhance their skills and knowledge.

#### **5. Chairperson**

The Board shall appoint as Chairperson one of the independent Non-Executive Directors, unless the Board otherwise resolves. The position of Chairperson shall not be exercised by the CEO or a former CEO unless there has been at least 3 years since finishing that position and becoming Chairperson.

The Chairperson shall be responsible for:

- leadership of the Board;
- the efficient organisation and conduct of the Board's functions;
- establishing the agenda for Board meetings in consultation with the CEO and Company Secretary;
- briefing of all Directors in relation to key issues arising;
- guiding Board deliberations, free of undue bias;
- promoting constructive and respectful relations between Directors, and between Board and management; and
- chairing Board and Shareholder meetings.

Should the Chairperson be absent from a meeting, members of the Board present shall appoint a Chairperson for that particular meeting.

## 6. Meetings

The Board shall meet regularly, in accordance with a schedule agreed prior to the commencement of each calendar year. The Chairperson may determine that a meeting be conducted electronically.

The Board may at any time convene an unscheduled meeting of the Board to consider urgent or other matters. Any Director can convene a Board meeting. A quorum for a meeting shall be 3 Directors.

The Non-Executive Directors shall also meet on their own, from time to time, to review the performance of management generally, and discuss corporate governance issues.

Board papers shall be provided to Directors sufficiently far in advance of scheduled meetings to permit adequate preparation.

## 7. Written consent

Any action permitted to be taken at any meeting of the Board may be taken without a meeting, if a written consent thereto is signed by all Directors entitled to vote on the resolution, provided that such written consent shall be filed with the minutes of the proceedings of the Board.

## 8. Attendance

Senior Executives will be invited to attend meetings as required. Other Cleanaway executives, External Auditors, Internal Auditors and advisers, as the Chairperson sees fit, may be invited to attend meetings.

No Executive Director shall be present at a Board meeting during deliberations concerning their position.

## 9. Conflict of interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of Cleanaway.

If any matter is to be discussed at a meeting of the Board which might reasonably involve one or more of the Directors having a conflict of interest, then those Directors must fully and frankly declare that potential or actual conflict of interest.

If the Board determines that there is a material conflict of interest, the Board may require that the relevant Director:

- not receive the relevant papers;
- not be present at the meeting while the matter is considered; and
- not participate in any decision on the matter.

If the Board resolves to permit a Director to have any involvement in a matter involving a potential or actual conflict of interest, the Board will minute full details of the basis of the determination and the nature of the conflict including a formal resolution concerning the matter.

## **10. Chief Executive Officer**

The CEO shall be appointed and, where appropriate, removed by the Board.

The CEO is responsible to the Board for the management and performance of Cleanaway and for the development and implementation of strategy as endorsed by the Board.

The CEO is accountable to the Board for the exercise of authority delegated to management.

The Non-Executive Directors shall evaluate the performance of the CEO (and any other Executive Directors) on an annual basis. They may seek advice from the Human Resources Committee.

## **11. Secretary**

The Company Secretary shall be appointed and, where appropriate, removed by the Board. The Company Secretary shall act as secretary of the Board and shall attend all meetings of the Board.

All Directors are to have access to the Company Secretary.

The Company Secretary shall:

- monitor adherence to Board policies and procedures;
- co-ordinate the completion and dispatch of the Board agenda and briefing materials; and
- be accountable to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.

## **12. Minutes**

Minutes of all Board meetings shall be prepared by the Company Secretary, approved by the Chairperson in draft and circulated to all members of the Board.

Minutes of prior meetings shall be confirmed at the next meeting of the Board and then signed by the Chairperson.

### **13. Access to information**

Any Director shall have direct access to and may seek information directly from any employee including senior executives, the Internal Auditors and External Auditors and any other external party, provided that:

- all enquiries are made known to the Chairperson and CEO;
- any enquiries of the Internal Auditors or the External Auditors are also made known to the Chairperson of the Audit and Risk Committee; and
- comments on the performance of management should be made through the CEO or the Chairperson.

The Board, an individual Director or a Committee may engage an independent external adviser in relation to any Board matter, at the expense of the Company. Before the external advice is sought consent needs to be obtained from the Chairperson.

The Chairperson may determine that any external advice received by an individual Director be circulated to the remainder of the Board.

### **14. Relationship with management**

A strong relationship between management and the Board is crucial to the success of Cleanaway.

Management must supply sufficient and timely information to the Board to allow it to discharge its duties effectively.

### **15. Responsibilities and functions of the board**

Key responsibilities of the Board are:

- oversight of Cleanaway, including the integrity of its control and accountability systems (including the external audit), that seeks to ensure the creation and protection of shareholder value;
- monitoring of Cleanaway's financial position and its ability to meet its debts and other obligations as they fall due;
- reviewing risk management framework (both financial and non-financial risks) and setting the risk appetite within which the Board expects Cleanaway and its management to operate;
- whenever required, challenging management and holding it to account;
- approving Cleanaway's values and Code of Conduct, and promulgating clear standards of ethical behaviour required of Directors, Senior Executives and employees;
- reviewing the Group's remuneration policies and ensuring that they are aligned with Cleanaway's mission, values, strategy and risk framework;
- ensuring that an appropriate health, safety and environment framework is in place to support safe workplace practices and to comply with Cleanaway's environmental obligations;
- contributing to the development of, and final approval of, management's corporate strategy and performance objectives; and

- monitoring the implementation of the strategic plans and performance objectives of Cleanaway, and assessing Cleanaway's performance against these.

The Board has delegated the responsibility of day to day management and performance of Cleanaway and the development and implementation of Board endorsed strategy to the CEO and management. This delegation is formally reflected in, and governed by, the delegated authority policy, which are reviewed and endorsed by the Board.

The key functions reserved to the Board are:

- adopting an annual budget for the financial performance of Cleanaway and monitoring performance against it;
- approving and monitoring the progress of major capital expenditure, acquisitions and divestments and other material transactions;
- approving the CEO's terms of engagement, and where required, his termination benefits;
- approving the appointment, remuneration and incentive framework for Senior Executives and overseeing the remuneration framework for all other Cleanaway;
- approving Cleanaway's Corporate Governance Statement and financial reports upon recommendations from the Audit and Risk Committee, and in accordance with the Corporations Act, ASX Listing Rules and any other applicable regulations;
- approving Cleanaway's Sustainability Report upon recommendation from the Sustainability Committee;
- approving Cleanaway's Remuneration Report for publication in the annual financial report upon recommendation from the Human Resources Committee, and in accordance with the Corporations Act and any other applicable regulations;
- approving capital management matters, including Cleanaway's dividend policy and authorising payment of dividends;
- ensuring proper and timely disclosure and reporting to shareholders and other stakeholders;
- reviewing recruitment, retention and termination policies and procedures for senior management and executive succession planning (in particular the office of CEO);
- reviewing, at least annually, diversity and inclusion policy, diversity targets, initiatives and progress towards their achievement; and
- monitoring and overseeing the management of shareholder and stakeholder relations.

## 16. Board committees

In performing its responsibilities and functions, the Board may delegate any of its powers to a Board Committee.

The Board has established the following committees, which may be added to or changed from time to time:

- Audit and Risk Committee;
- Human Resources Committee; and
- Sustainability Committee.

Each of the above Committees shall:

- be comprised of a majority of Non-Executive Directors;
- be chaired by a Non-Executive Director; and
- have a formal charter approved by the Board.

The Board will appoint members to the Committees and make changes to membership.

The Board shall review the effectiveness of each of the above Committees against its charter, on an annual basis, in conjunction with the Chairperson of the relevant Committee.

The Board may establish other ad-hoc special purpose committees from time to time, with terms of reference approved by the Board.

The Board will deal with matters referred to it by any Board Committee.

All Non-Executive Directors shall be entitled to attend meetings of Board Committees where there is no conflict of interest.

## ***17. Review and distribution***

The Board will review this Charter periodically, or as otherwise required.

This Board Charter will be available on the Company's website.

**The Board reviewed and approved this Charter on 1 June 2021.**