

# Board Charter

## 1. Introduction

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The directors of FirstWave Cloud Technology Limited ACN 144 733 595 (**the Company**) have drafted a Board Charter to set out the principles governing the Board and to assist in the Company's decision-making processes.

The Board may approve updates and amendments to this Charter from time to time.

## 2. Role of the Board

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The Board is responsible for the overall corporate governance and management of the Company and its strategic plans. Our overriding principles are that the Board:

- (a) looks to the future and will devote its time to considering the future and providing strategic leadership;
- (b) is ultimately responsible to shareholders for the management and performance of the Company; and
- (c) is to support and maintain a culture of innovation, governance, performance, accountability and communication within the Company that embraces and establishes the principles set out in this Charter.

## 3. Governance

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In addition to any matters that are expressly required by law to be approved by the Board, the following powers are specifically reserved for the Board:

- (a) Monitoring compliance with legal, constitutional and Company Codes of Ethics, Codes of Conduct and other material policies;
- (b) Oversighting fraud, risk, control and accountability systems through promoting systemic awareness of the control environment and risk issues;
- (c) Approving Treasury policies (including debt and foreign exchange exposures);
- (d) Determining that satisfactory arrangements are in place for auditing the Company's financial affairs and that the scope of audit is adequate;
- (e) Approving financial statements and any significant changes to accounting policies;
- (f) Making appointments of members to, and removing members from, Board Committees;
- (g) Approving Charters of Board Committees;
- (h) Dealing with matters referred to it from Board Committees; and
- (i) Approving Directors and Officers Liability Insurance.

#### **4. Performance**

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The Board has the responsibility of overseeing the:

- (a) Provision of guidance on, and approval of, the Company corporate strategy and performance;
- (b) Shaping and approving the strategic plan and associated annual operating and capital expenditure budgets;
- (c) Monitoring the implementation of financial and other objectives;
- (d) Appointing and removing members of the Company management team as required;
- (e) Monitoring and evaluating the performance of the Company management team as required;
- (f) Approving and monitoring any acquisitions and divestures; and
- (g) Approving dividend or distribution payments.

#### **5. Role of the Chairperson**

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The Chairperson of the Board must be an independent director and, in particular, should not be the same person as the Managing Director or the Chief Executive Officer of the Company. The Chairperson is responsible for the following:

- (a) The leadership of the Board;
- (b) The efficient organisation and conduct of the Board's function;
- (c) Providing briefing to all directors in relation to issues arising at Board meetings;
- (d) Facilitating effective contribution of all directors;
- (e) Promoting constructive relations between Board members and between the Board and Management;
- (f) Following up matters arising from Board meetings; and
- (g) Ultimately setting the Board agenda.

#### **6. Role of the Managing Director**

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The Managing Director is responsible to the Board for the overall management and performance of the Company. The Managing Director should manage the Company in accordance with the strategy, plans, practices and policies approved by the Board to achieve the agreed objectives. In particular the Managing Director's responsibilities include:

- (a) Being the conduit through which the Board is provided sufficient and relevant information to act effectively;
- (b) Providing leadership to the Company and acting as the Company's interface with its operating environment and the general business and investment community;

- (c) Taking action to implement the Company's corporate strategy, including being active in identifying new initiatives for consideration;
- (d) Ensuring the Company's policies are complied with;
- (e) Referring all matters outside of the Managing Director's delegations to the Board for approval; and
- (f) Such other responsibilities as delegated by the Board from time to time.

All directors will have access to the Managing Director.

## **7. Role of Individual Directors**

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The role of directors includes:

- (a) Contributing to Board activities to the best of their abilities and with the level of skill and care expected;
- (b) Discharging their duties in good faith and honestly in the best interests of the Company;
- (c) Using the powers of office for proper purpose, in the best interests of the Company as a whole;
- (d) Acting with the required care and diligence, demonstrating commercial reasonableness in their decisions;
- (e) Avoiding conflicts of interest, not allowing personal interests, or the interests of any associated person, to conflict with the interests of the Company;
- (f) Not making improper use of information gained through their position of director;
- (g) Making reasonable enquiries to ensure that the Company is operating effectively, efficiently and legally toward achieving its objectives;
- (h) Undertaking diligent analysis of all proposals placed before the Board;
- (i) Serving on Board committees as required;
- (j) Participating in the appointment of new directors and directors performance evaluation; and
- (k) Acting in accordance with the duties and obligations imposed on them and the Board by the constitution and the law.

## **8. Role of the Company Secretary**

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The Company Secretary is generally responsible for carrying out the administrative and statutory requirements of the Board by:

- (a) Coordinating the development of the agenda in a timely and effective manner for approval by the Chairperson;
- (b) Ensuring, in conjunction with the Managing Director, that the board papers are prepared in a timely and effective manner;

- (c) Ensuring the timely dispatch of the agenda and board papers;
- (d) Coordinating, organising and attending meetings of the Board and shareholders, and ensuring the correct procedures are followed;
- (e) Drafting and maintaining minutes of Board and members meetings;
- (f) Working in conjunction with the Managing Director and senior executives, to carry out the instructions of the Board and giving practical effect to the Board's decisions; and
- (g) Working with the Chairperson and Managing Director to establish and deliver governance practices that meet the ASX requirements.

The Company Secretary is accountable to the Board and his or her appointment and removal is a matter for the Board as a whole. The Company Secretary will advise the Chairperson, and through the Chairperson, the Board and individual Directors on all matters of governance process. All directors will have access to the Company Secretary.

## **9. Role of Management**

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The Company senior executives' role and responsibility is to:

- (a) Recommend the Company's corporate strategy to the Board for approval and once it is approved, implement the corporate strategy;
- (b) Assume day to day responsibility for the Company's conformance with relevant laws and regulations and its compliance framework;
- (c) Achieve the performance targets set by the Board;
- (d) Develop, implement and manage the Company's risk management and internal control frameworks as appropriate to the business of the Group;
- (e) Develop, implement and update the Company's policies, procedures and systems;
- (f) Be alert to relevant trends in the Company's operating environment and technology industries;
- (g) Provide sufficient and relevant information to the Board to enable the Board to effectively discharge its responsibilities; and
- (h) Act as a conduit between the Board and the Company subsidiary companies and associates.

## **10. Composition of the Board**

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Ultimately, the Company wants its Board to consist of a range of skills and knowledge, and will seek to place members from the following categories onto the Board:

- (a) Company directors, a majority of whom should be independent directors;
- (b) Non-shareholding subject matter experts with the ability and the inclination to exercise independent judgment and guide the Company's growth; and

- (c) Those who have a substantial interest in the company through their shareholdings (i.e. greater than 10%).

The composition of the Board is to be reviewed periodically by the Nomination and Remuneration Committee to ensure that it has the appropriate mix of expertise and experience. When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new member with particular skills, the Chairperson raises the matter with other Board members and then, as appropriate, the Nomination and Remuneration Committee recommends the appointment of the most suitable candidates. Non-executive members will usually be appointed for a two-year term, with the possibility of re-appointment by the Board.

## **11. Meetings of the Board**

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The Board will meet in accordance with the Constitution of the Company, but no less than quarterly. The Chairperson will take reasonable measures to ensure that, where possible, a quorum is formed for each meeting and for each agenda item. Board members will receive relevant Board papers a reasonable time before each meeting (ordinarily at least 7 days beforehand), and in a format specified by it. The Chairperson may request the attendance of any person at a meeting who is responsible for, or associated with, a matter included as an agenda item at a meeting.

## **12. Committees of the Board**

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In order to assist the Board in fulfilling its role the following committees may be established at the Board's discretion in order to achieve both its performance and conformance requirements:

The Board will adopt Committee Charters in respect of all Committees, addressing the role, duties and responsibilities, composition and structure, administration and any other matters the Board determines relevant to such Committee.

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

The Board will regularly evaluate the operations of the Committees.

All Board members will receive copies of Committee papers, including minutes, in respect of each Committee and may attend meetings of Committees of which they are not members.

## **13. Right to Independent Advice**

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The Board, an individual Board member or a Committee established at the Board's direction 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. In the case of:

- (a) The Board – from the Chairperson;
- (b) An individual Board member – from the Chairperson or the relevant Committee Chairperson; and,
- (c) A Committee – from the Committee Chairperson.

A copy of any advice received is to be made available to all members of the Board.

## **14. Confidentiality**

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All information acquired by directors during their appointment is confidential to the Company and is not to be released without prior clearance from the Board, except when required by law.

## **15. Conflicts of Interest**

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In giving effect to this Board Charter:

- (a) Each Board member will at all times act honestly, fairly, diligently, and in all respects in accordance with the law applicable to the Company;
- (b) Each Board Member will at all times act in the interests of shareholders of the Company and of the Company as a whole, and will have regard to the interests of employees and customers of the Company and the community and environment in which the Company operates;
- (c) Board members should not have any business or other relationship that could materially influence or interfere with the exercise of their independent judgement, apart from those formally disclosed to the Company;
- (d) The Company will disclose:
  - (i) the names of the directors considered by the Board to be independent directors;
  - (ii) if a director has an interest, position, association or relationship of a type set out in Box 2.3 of the Third Edition of the ASX Corporate Governance Principles and Recommendations for further detail but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and
  - (iii) the length of service of each director.

## **16. Board Performance Review**

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The Board will undertake an annual performance review and also ensure that each of the Board committees also conduct an annual review of their performance to be reported to the Board.

The Board self-assessment process will include:

- (a) Determining the Board's objectives for the following year;
- (b) Comparing the Board's practices with the requirements of its Board Charter;
- (c) Identifying any enhancements to the Board Charter; and
- (d) Reviewing and implementing governance practices to enhance the Board's effectiveness.

This self-assessment process will include surveys of Board members and senior management.

## **17. Access to this Board Charter**

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This Board Charter will be available for viewing by any person on the Company website or a copy will be sent upon request.

## **18. Purpose**

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The Company is a leading Australian cloud technology services company that delivers Cloud Security Solutions to enterprise and government customers primarily through partnerships with CSP's and other SP's

## **19. Corporate Philosophy & Values**

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The philosophy that underpins our strategy and the performance of our people is a commitment to technology innovation and a will to establish long term relationships with our customers through a commitment to deliver measurable service outcomes.