

# Board Charter

SenSen Networks Limited (SenSen)

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**SenSen Networks Limited**  
ACN 121 257 412  
(Company)

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## 1 Introduction

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The purpose of this charter is to specify how the Company is governed so as to promote the Company and protect the interests of shareholders. To the extent of any conflict between the terms of this Charter and the constitution, the constitution prevails.

The Board is responsible for the governance of the Company. This charter sets out the role and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and the operation of the Board.

## 2 Interpretation

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**ASX** means ASX Limited;

**Board** means the Board of Directors of SenSen;

**CEO** means Chief Executive Officer;

**Charter** means this board charter;

**Committee** means a standing committee created by the Board;

**Directors** mean the members of the Board;

**Members** mean members of SenSen; and

**SenSen or Company** means SenSen Networks Limited and its controlled entities.

## 3 Objectives and responsibilities

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### 3.1 Purpose

The Board is responsible for the overall governance of SenSen Networks Limited (SNS). This Board Charter (Charter) sets out the role, responsibilities, structure and processes of the Board of SNS.

### 3.2 Role

The role of the Board is to provide overall strategic guidance and financial management and controls for the Company through effective oversight of management. The Board ensures that the activities of the Company comply with its constitution, from which the Board derives its authority to act, and with legal and regulatory requirements.

To achieve this role, the Board has reserved to itself the following specific responsibilities.

### 3.3 Responsibilities

The Board is responsible for:

- (a) demonstrating leadership, defining the purpose of the Company and setting the strategic objectives of the Company;
- (b) approving the Company's Code of Conduct and the Statement of Values contained in the Code of Conduct to underpin the desired culture within the Company;
- (c) appointing the chairperson (and potentially any deputy chairperson);
- (d) appointing and when necessary replacing the CEO;

- (e) approving the appointment and when necessary replacement of other senior executives and the company secretary;
- (f) overseeing management in its implementation of the Company's strategic objectives, instilling of the Company's values and performance generally;
- (g) through the chairperson, overseeing the role of the company secretary;
- (h) approving operating budgets and major capital expenditure;
- (i) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (j) overseeing the Company's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (k) satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- (l) satisfying itself that an appropriate framework exists for relevant information to be reported by management to the board;
- (m) whenever required, challenging management and holding it to account;
- (n) regularly reviewing its skills matrix to ensure that it covers the skills needed to address existing and emerging business and governance issues relevant to the Company;
- (o) responding to notices of bribery or corruption;
- (p) detecting and preventing bribery or corruption within the Company;
- (q) satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values, strategic objectives and risk appetite; monitoring the effectiveness of the Company's governance practices; and
- (r) reviewing and updating all of the Company's Corporate Governance Policies and Charters annually.

## **4 Composition of the Board**

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### **4.1 Structure of the Board**

- (a) The membership of the Board is reviewed by the full Board from time to time having regard to the ongoing needs of SenSen and subject to the Company's constitution.
- (b) It is the policy of the Board that its membership should reflect an appropriate balance between executives possessing extensive direct experience and expertise in the core business activities of SenSen, and non-executive members who have outstanding track records and reputations attained at the highest levels of business and commerce generally, and who are able to bring to the Board a broad range of general commercial skills, expertise and experience.
- (c) The Board should be of a size and composition that is conducive to effective decision making, with the benefit of a variety of perspectives and skills and in the interests of SenSen.
- (d) SenSen will disclose in its Annual Reports the length of service of each director and names of independent directors.

- 4.2 The appointment of a new member to the Board is only made after consultation with the Nomination Committee. All candidates must be subject to appropriate checks, including checks as to the candidate's character, experience, education, criminal record and bankruptcy history. Directors are initially appointed by the full Board. They are subject to election by Members of SenSen at the Annual General Meeting following their appointment and, except in the case of the CEO, are subject to re-election by Members of SenSen at least every three years.
- 4.3 When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with the Company's constitution, but must stand for election by shareholders at the next annual general meeting. Before the election, SenSen will provide security holders with all material information relevant to a decision whether to elect or re-elect a director.
- 4.4 Executive directors will be personally engaged by a service contract setting out the terms and conditions of their appointment. Non-executive directors will also be personally engaged by a letter of appointment.
- 4.5 Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them. SenSen will develop a program for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain their role as directors effectively.

#### 4.6 Independence

All directors - whether independent or not - should bring an independent judgement to bear on all Board decisions.

A director is considered independent by SenSen if the director is free of any interest, position, association or relationship that might influence, or be reasonably perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of SenSen and its security holders generally.

A director who:

- (a) is, or has been, employed in an executive capacity by SenSen, or another group member and there has not been a period of at least three years between ceasing that employment and serving on the Board;
- (b) receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentive scheme of, SenSen;
- (c) is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to SenSen or any group member;
- (d) is, or has been within the last three years, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) of SenSen or other group member, or is an officer of or otherwise associated with, someone with such a relationship;
- (e) is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial holder;
- (f) has close personal ties with any person who falls within any of the categories described above; or
- (g) has been a director of SenSen for such a period that their independence from management and substantial holders may have been compromised,

will not be independent, unless the Board is satisfied on reasonable grounds that the director is independent despite the existence of one or more of these circumstances. In each such case, the materiality of the interest, position, association or relationship needs will be assessed by the Board in order to determine whether it might interfere, or might reasonably be seen to interfere, with the

director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of SenSen and its security holders generally.

The Board will regularly assess the independence of each director in light of the interests disclosed by them. That assessment will be made at least annually at, or around the time, that the Board considers candidates for election to the Board. Each independent director must provide the Board with all relevant information for this. The outcome of this assessment will be reflected in the corporate governance section of the annual report.

If the board determines that a director's independent status has changed, that determination will be disclosed to the market in a timely fashion.

## **5 Proceedings**

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### **5.1 Frequency**

- (a) The Board should meet regularly (not less than eight times a year) and hold special meetings as required. Prior notice of meetings will be given in a manner which, so far as possible, facilitates attendance by all Directors.
- (b) Any Director may convene a meeting of the Board or require the Company Secretary to convene a meeting of the Board.

### **5.2 Compliance with the Constitution**

All meetings of the Board will be conducted in accordance with the constitution of SenSen and applicable laws.

### **5.3 Independent professional advice**

Following consultation with the chairperson, directors may seek independent professional advice at SenSen's expense. Generally, this advice will be available to all directors.

### **5.4 Access to management**

The directors have complete and open access to management following consultation with the chairperson and CEO.

## **6 Responsibilities of the Board**

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- (a) The Board is responsible for overseeing the effective management and control of SenSen.
- (b) The Board has delegated certain responsibilities to standing committees which operate in accordance with Charters approved by the Board.
- (c) The Board has delegated the day to day management of the business of SenSen to management through the CEO subject to agreed authority limits applicable to the senior executive team. However, the Board has established a list of reserved matters pursuant to which it has reserved to itself control over certain matters of a strategic, sensitive or extraordinary nature or which exceed the thresholds set in the authority delegated to management.

## **7 Reserved matters**

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The following matters (including changes to any such matters) require approval from the Board, except where they are expressly delegated to a Committee, the Chairperson, the CEO or another nominated member of the senior executive team.

## 7.1 Strategy and direction

- (a) Policies regarding SenSen's:
  - (i) overall strategic direction and strategic plans for each of SenSen's major business units;
  - (ii) key business and financial objectives; and
  - (iii) dividend policy and the approval of any dividend pursuant to that policy.
- (b) Acquisitions, disposals of assets or any significant SenSen expenditure which exceed the authority limits delegated to the CEO.

## 7.2 Financial controls, compliance and risk management

- (a) Annual operating and capital expenditure budgets for SenSen.
- (b) Treasury policies, including foreign currency exposure and policies on the use of financial derivatives.
- (c) SenSen's financial statements and published reports, including the Directors' report and SenSen's corporate governance report.
- (d) The establishment and review of the effectiveness of SenSen's systems of internal control and risk management processes.
- (e) Matters impacting on compliance with statutory and regulatory obligations which, if not complied with, would have a material effect on the business of SenSen.
- (f) Any significant changes in accounting policies or procedures.

## 7.3 Capital structure

Changes to SenSen's capital structure, including reductions of share capital, share buy-backs or issue of new securities, other than in accordance with the terms of SenSen's incentive plans, if any.

## 7.4 Appointments

- (a) Appointments to the Board, following a review by the Board's Nomination Committee (if any).
- (b) The appointment and review of the performance of each the CEO, the Chief Operating Officer and the Chief Financial Officer.
- (c) The appointment of external auditors (on the recommendation of the Audit and Risk Management Committee).
- (d) The appointment of the Company Secretary.

## 7.5 Delegation of authority

- (a) Changes to the membership or Charter of any committee of the Board.
- (b) Changes to the authority delegated to the CEO.
- (c) Matters which exceed the authority delegated to the CEO.

## 7.6 Policies

The instigation of significant policies and Charters affecting SenSen as a whole, including where applicable:

- (a) The Corporate Code of Conduct and Director Code of Conduct;

- (b) Security Trading Policy;
- (c) Audit and Risk Management Committee Charter; and
- (d) Continuous Disclosure and Shareholder Engagement Policy.

#### **7.7 Corporate governance matters**

- (a) Determining the independence of Non-Executive Directors.
- (b) Determining the remuneration of the Non-Executive Directors, within the limits under the Constitution.
- (c) Resolutions and related documentation to be put to Members in general meetings.
- (d) Approval of announcements and press releases concerning matters decided by the Board including announcements relating to the operating performance of SenSen.

### **8 Duties of individual directors**

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#### **8.1 General**

The Directors of SenSen are required to act honestly, diligently, transparently and in the best interest of Members and to endeavour to ensure that the business of SenSen is managed and conducted efficiently, that security holder value is enhanced and security holder expectations are met or exceeded.

#### **8.2 Conduct of individual directors**

Directors must at all times act in accordance with legal and statutory requirements, and discharge all their duties as directors. Directors must:

- (a) discharge their duties in good faith and in the best interests of SenSen and for a proper purpose;
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company, including applying an independent and enquiring mind to their responsibilities;
- (c) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- (d) not make improper use of information gained through their position as a director;
- (e) not take improper advantage of their position as a director;
- (f) notify other directors of a material personal interest when a conflict arises;
- (g) make reasonable enquiries if relying on information or advice provided by others;
- (h) undertake any necessary inquiries in respect of delegates;
- (i) give SenSen all the information required by the Corporations Act; and
- (j) not permit SenSen to engage in insolvent trading.

#### **8.3 Legal obligations of Directors**

- (a) Directors must:
  - (i) discharge their duties in good faith and in the best interests of the Members of SenSen and for a proper corporate purpose;



- (ii) act with care and diligence, demonstrate commercial reasonableness in their decision making and with the level of skill and care expected of a Director of a listed entity;
  - (iii) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
  - (iv) act for the benefit of SenSen at all times;
  - (v) not make improper use of information gained through their position as a Director;
  - (vi) make reasonable enquiries to ensure that SenSen is operating efficiently, effectively and legally towards achieving its goals; and
  - (vii) give due consideration to all proposals placed before the Board and keep all discretions unfettered.
- (b) Individual Directors, other than Executive Directors acting within the scope of their delegated authority, must not purport to bind SenSen unless expressly authorised to do so by the Board.
  - (c) Directors must ensure that their delegates are reliable and competent and that adequate controls are in place to oversee the exercise of the delegated powers.

#### **8.4 Conflicts of interest and related party transactions**

- (a) A Director who has a material personal interest in a matter that relates to the affairs of SenSen must disclose that interest to the other Directors and should not participate in discussions at a meeting or vote on the matter unless permitted by the Corporations Act.
- (b) Directors should inform the Company Secretary of any related party transactions.

#### **8.5 Other specific disclosures**

- (a) Any event or circumstance which may impact on the status of that Director as an independent Director or otherwise reflect on their capacity to serve should immediately be disclosed to the Chairperson.
- (b) All Directors must observe the requirements in the Security Trading Policy for Directors and Senior Executives.

#### **8.6 Access to senior management**

- (a) Directors should have access to the CEO, the Chief Operating Officer, the Chief Financial Officer and the Company Secretary for the purposes of seeking information or asking questions.
- (b) Where appropriate, presentations should be made by senior management to Board members in respect of recurring issues of interest to the Board and on special items of interest, identified by the Board or by management, from time to time.

#### **8.7 Retirement of Directors**

The Directors shall retire from office in accordance with the constitution of SenSen and/or the applicable sections of the Corporations Act.

#### **8.8 Procedure for independent advice**

In the event that any Director wishes to take professional advice in relation to any aspect of performance of their duties as a Director of SenSen the Director may do so at SenSen's expense. The Director should first contact the Chairperson and the Company Secretary who will, if required by the Director, assist in procuring that professional advice.

## 8.9 Board discussions, deliberations and decisions

- (a) Directors must keep confidential Board discussions, deliberations and decisions which have not been publicly disclosed.
- (b) Confidential information received by Directors in the course of exercising their duties remains the property of SenSen.

## 9 Role of the Chairperson

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The chairperson is responsible for:

- (a) leading the Board in reviewing and discussing Board matters;
- (b) chairing Board meetings and shareholder meetings, including, approving the agenda for Board meetings and ensuring that adequate time is available for discussion of all agenda items (including strategic issues);
- (c) ensuring the efficient organisation and conduct of the Board's function;
- (d) briefing all directors in relation to issues arising at Board meetings;
- (e) facilitating effective contribution by all directors and monitoring Board performance;
- (f) overseeing that membership of the Board is skilled and appropriate for the Company's needs;
- (g) promoting constructive and respectful relations between Board members and between the Board and management;
- (h) ensuring that independent directors meet separately on a regular basis to consider, among other things, senior executive performance;
- (i) overseeing the role of the company secretary, including, reviewing corporate governance matters with the company secretary and reporting on those matters to the Board; and
- (j) establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

## 10 Role of Company Secretary

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- (a) The company secretary acts as secretary of the Board, attending all meetings of the Board as required. The company secretary is accountable directly to the Board, through the chairperson on all matters to do with the proper functioning of the Board. The Company Secretary should be responsible for:
  - (i) advising the Board and its committees on governance matters;
  - (ii) monitoring that Board and committee policy and procedures are followed;
  - (iii) co-ordinating the timely completion and despatch of Board and committee papers;
  - (iv) ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
  - (v) helping to organise and facilitate the induction and professional development of directors and the company secretary.
- (b) The Company Secretary is accountable to the Board, through the Chairperson, on all governance matters.

## **11 Management**

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### **11.1 General**

- (a) Management, through the Board's delegation of authority to the CEO is responsible for the day to day management of the business and operations of SenSen.
- (b) Management should supply the Board with such information as is reasonably necessary to assist the Board in discharging its duties.

### **11.2 Role of the CEO**

- (a) The Board has delegated authority to the CEO for the business and affairs of SenSen. That delegation is subject to and limited by, the terms of this Charter including matters reserved for decision by the Board in accordance with section 7 and any specific limitations on authority imposed by the Board from time to time.
- (b) The responsibilities of the CEO should be stated in an agreed job description.
- (c) The CEO is responsible for making recommendations and reporting to the Board regarding the development of strategies for and the management and performance of the business and operations of SenSen.
- (d) The CEO is responsible for managing SenSen in accordance with the strategy, business plans and policies approved by the Board.
- (e) The CEO must ensure that SenSen's financial reports present a true and fair view of SenSen's financial condition and operational results and are in accordance with the relevant accounting standards. On presentation of financial reports for approval by the Board the CEO should state in writing to the Board that:
  - (i) the financial reports comply with the requirements of this paragraph;
  - (ii) the statement given in relation to the integrity of financial statements is founded on a system of risk management and internal compliance and control which implements the policies adopted by the Board; and
  - (iii) SenSen's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting.
- (f) The Managing Director must consult with the Chairperson and with the Board regarding matters which the CEO considers are of such a sensitive, extraordinary or strategic nature as to warrant the attention of the Board regardless of value.
- (g) The CEO may sub-delegate their functions to executive management of SenSen subject to existing Board policies and legal requirements that limit that power of sub- delegation.

### **11.3 Role of the Chief Financial Officer**

- (a) The responsibilities and authority limits of the Chief Financial Officer should be stated in an agreed job description.
- (b) The Chief Financial Officer, in conjunction with the CEO, is responsible for ensuring that SenSen's financial reports present a true and fair view of SenSen's financial condition and operational results and are in accordance with the relevant accounting standards. On presentation of financial reports for approval by the Board the Chief Financial Officer should state in writing to the Board that:
  - (i) the financial reports comply with the requirements of this paragraph;

- (ii) the statement given in relation to the integrity of financial statements is founded on a system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- (iii) SenSen's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks.
- (c) The Chief Financial Officer must consult with the CEO, the Chairperson and with the Board regarding matters which the Chief Financial Officer considers are of such a sensitive or extraordinary or strategic nature as to warrant the attention of the Board regardless of value.
- (d) The Chief Financial Officer will attend meetings of the Board by invitation and otherwise be available to Directors who wish to seek information or ask questions in relation to the affairs of SenSen.

## **12 Review and publication of charter**

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The Board is responsible for reviewing this charter and the division of functions and responsibilities in SenSen to determine its appropriateness to the needs of SenSen from time to time. The charter may be amended by resolution of the Board.

The charter is available on SenSen's website. Key features are published in:

- (a) either the annual report or on SenSen's website; and
- (b) in the Appendix 4G to be lodged with the ASX at the same time as lodgement of the annual report.