



WDS LIMITED BOARD CHARTER

1. OVERVIEW

- 1.1 The WDS Limited (WDS) Board is primarily responsible for ensuring that WDS and its subsidiaries (Group) have an appropriate corporate governance structure to ensure the creation and protection of shareholder value and operate in a sustainably responsible manner.
- 1.2 The Board is also responsible for ensuring WDS recognises its legal and other obligations to all legitimate stakeholders from time to time where and to the extent appropriate. “Stakeholders” are groups that are likely to feel a social, environmental or economic impact from WDS’ actions. They include shareholders, employees, contractors, regulatory bodies and members of the communities where WDS operates and are affected by WDS’ activities.
- 1.3 This Board Charter explains WDS’ commitment to corporate governance and sustainable practices and sets out the role, responsibilities and conduct of the Board. It is not an “all inclusive” document and should be read as an expression of principle.
- 1.4 To the extent practicable, WDS endorses and seeks too follow the Australian Securities Exchange (ASX) Corporate Governance Council’s *Corporate Governance Principles and Recommendations (ASX Principles)*.
- 1.5 This Board Charter sets out the principles for the operation of the WDS Board.

2. COMPLIANCE AND GOVERNING MATERIALS

2.1 Constitution

WDS’ Constitution is WDS’ key governance document. The Board must ensure that it and WDS comply at all times with the provisions of the Constitution.

2.2 Compliance with Laws

As a public company listed on the ASX, WDS must comply with the *Corporations Act*, the ASX Listing Rules (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.

As a company intending to operate from time to time in jurisdictions outside Australia, WDS must ensure that it is aware of, and complies with, all applicable moral codes, laws and statutes in those jurisdictions.

2.3 Governance Materials

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



- (a) this Charter;
- (b) Audit and Risk Management Committee Charter;
- (c) Remuneration and Nomination Committee Charter;
- (d) Health Safety Environment and Community Committee Charter;
- (e) Corporate Strategy and Business Development Committee Charter;
- (f) Code of Conduct and Ethics;
- (g) WDS Personnel Share Trading Policy
- (h) Continuous Disclosure Policy; and
- (i) Shareholder Communications Policy.

3. COMPOSITION OF THE BOARD

3.1 Number of Directors

- (a) In accordance with the Constitution and the *Corporations Act*, the Board shall at all times have at least 3 directors.
- (b) The majority of directors will be independent non-executive directors.
- (c) The Board size and composition is periodically determined and reviewed by the Board as a whole.

3.2 Alternate Directors

Directors may appoint Alternate directors in accordance with clause 19.7 of the Constitution.

3.3 Appointment and Removal of Directors

General

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

Considerations

In selecting new directors, the Board must ensure that the candidate has the appropriate range of skills, experience and expertise that will best complement Board effectiveness.

In addition, any candidate must confirm that they have the necessary time to devote to their WDS Board position.

3.4 Nomination and Rotation of Directors

Nomination and rotation of directors will be governed by the *Corporations Act*, the Listing Rules and the Constitution.



3.5 Board Committees

To assist the Board in fulfilling its duties and responsibilities, it established the following Committees:

- (a) Audit and Risk Management Committee, which is responsible for monitoring and advising the Board on the WDS internal and external audit, risk management and regulatory compliance policies and procedures;
- (b) Remuneration and Nomination Committee, which is responsible for overseeing the remuneration and certain human resource policies and practices of WDS, advising the Board on the (current and future) composition of the Board, its Committees and Senior Executives and reviewing the performance of Senior Executives;
- (c) Health Safety Environment and Community Committee, which has the responsibility for reporting to the Board on WDS' compliance with statutory, regulatory and client based requirements and review of WDS' occupational health and safety, environmental and community driven considerations; and
- (d) Corporate Strategy and Business Development Committee, which has the responsibility for reporting to the Board on the development and implementation of WDS' corporate strategy and strategic business growth.

All these Committees have formal Charters. With the exception of certain limited delegations contained in their Charters, recommendations of these Committees are to be referred to the Board for approval.

3.6 Independence

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.

It is the approach and attitude of each non-executive director which is critical to determining independence and this must be considered in relation to each director while taking into account all other relevant factors, which may include whether the non-executive director:

- (a) is a substantial shareholder (within the definition of the *Corporations Act*) of WDS, or an officer of, or otherwise associated directly with, a substantial shareholder of WDS;
- (b) has, within the last three years, been employed in an executive capacity by WDS or any other Group company;
- (c) has, within the last three years, been a principal of a material professional adviser or a material consultant to WDS or an employee materially associated with the service provided. In this context, the relationship with the professional adviser or consultant shall be deemed to be material if payments from WDS exceed \$100,000 of WDS' annual expenditure to all professionals and consultants or exceed \$100,000 of the recipient's annual revenue for advisory or consultancy services;
- (d) is a material supplier or customer of WDS, or an officer of or otherwise associated directly or indirectly with, a material supplier or customer. In this context, the relationship with the supplier or customer shall be deemed to be material if annual payments to or from that supplier or customer exceed \$100,000 of the annual consolidated gross revenue of either WDS or of that supplier or customer;
- (e) has any material contractual relationship with WDS other than as a director; or



- (f) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of WDS.

4. INFORMATION AND INDEPENDENT ADVICE

4.1 Due Diligence "Pack"

Prior to any formal offer, any potential director must be given sufficient information about WDS as part of his/her personal due diligence. The information will extend to non-public information after the potential director has signed a WDS Confidentiality Agreement.

4.2 Appointment Letter

Upon appointment, a new director will be given a formal letter of appointment from the Chairman setting out the key terms, conditions and responsibilities of their position.

4.3 Induction Program

Upon appointment, the Company Secretary is responsible for arranging for the new director to undertake an induction program to enable them to gain an understanding of:

- (a) WDS' operations and the industry sectors in which it operates;
- (b) WDS' financial, strategic, operational and risk management position;
- (c) their rights, duties and responsibilities; and
- (d) any other relevant information.

As part of this induction program, a new director will meet with all incumbent directors and Senior Executives (if this has not already taken place) to gain an understanding of the duties and responsibilities of the director or manager within the WDS structure.

4.4 Ongoing Information

The Chairman, Group Managing Director/Chief Executive Officer, Chief Financial Officer, Company Secretary and any other Executive Officers must ensure that updated information is provided to the Board in a timely fashion to enable them to effectively discharge their duties as directors. This may be part of, or in addition to, the periodic Board reporting process.

4.5 Requested Information

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any director has the authority to seek any information he/she requires from any employee or contractor (Employee) of WDS and all Employees must comply with such requests.

Unless a conflict exists or to do so would be inconsistent with the director's duties, the director is to request such information via the Group Managing Director/Chief Executive Officer.



4.6 Independent Advice

Any director may take such independent legal, financial or other advice as they consider necessary at the reasonable expense of WDS 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.

All directors are entitled to the benefit of the WDS' standard Deed of Access, Indemnity and Insurance which provides ongoing access to Board Papers and at WDS' expense, Directors' and Officers' Insurance for seven years after the director leaves the Board.

5. DUTIES AND RESPONSIBILITIES

5.1 The Board is responsible for setting WDS' values and standards of conduct and ensuring that these are adhered to, in the interests of WDS' stakeholders and, generally in safeguarding WDS' reputation.

5.2 The Board is responsible for setting the strategic direction of WDS and for the Senior Executives of WDS, including:

- (a) financial strategic objectives;
- (b) oversight of control and accountability systems;
- (c) the appointment, appraising, removal and remuneration of the:
 - (i) Group Managing Director/Chief Executive Officer;
 - (ii) Chief Financial Officer; and
 - (iii) Company Secretary;
- (d) input into and final approval of corporate strategy;
- (e) evaluating and approving the annual operating budget and business plans and holding management accountable for delivery of same;
- (f) evaluating and approving and monitoring the progress of major capital and operating expenditure, capital management and all major corporate transactions;
- (g) monitoring compliance with all legal and regulatory and ethical obligations;
- (h) reviewing any risk management system (which may be a series of systems established on a per-project basis) and internal compliance and controls;
- (i) with the assistance of the Remuneration and Nomination Committee, approving remuneration policies and employment terms for Non-Executive Directors, Executive and employees;
- (j) establishing criteria for and monitoring performance of Senior Executives;
- (k) approving and monitoring financial and other reporting to the market, shareholders, employees and other stakeholders;



- (l) determining WDS' dividend policy, the operation of dividend re-investment plan (if any) and the amount and timings of all dividends; and
 - (m) appointing the Chairman of WDS, who must be an independent director.
- 5.3 It is the role of senior management to manage WDS in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. The Board shall approve all delegation Authority Matrixes.
- 5.4 In discharging his/her duties, each director must:
- (a) exercise care and diligence;
 - (b) act honestly and in good faith in the best interests of WDS as a whole;
 - (c) not improperly use his/her position or misuse information of WDS;
 - (d) disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature, of which the director becomes aware and which the director reasonably believes may compromise the reputation or performance of WDS; and
 - (e) commit the time necessary to discharge effectively his/her role as a director.
- 5.5 All directors are entitled to be heard at all meetings and to the extent practicable, should bring an objective judgement to bear in decision-making.
- 5.6 All directors have access to the Company Secretary, who is accountable to the Board, through the Chairman, on all governance matters.

6. THE CHAIRMAN

The Chairman is to be an Independent Non-Executive Director and is responsible for:

- (a) leadership of the Board;
- (b) developing and maintaining key strategic relationships;
- (c) overseeing the Board in the effective discharge of its supervisory role;
- (d) the efficient organisation and conduct of the Board's function and meetings;
- (e) facilitating the effective contribution of all directors;
- (f) briefing all directors in relation to issues arising at meetings;
- (g) the promotion of constructive and respectful relations between directors; and
- (h) committing the time necessary to discharge effectively his/her role as Chairman.

Should the Chairman be absent from a meeting, another Independent Non-Executive Director should act as chairman of the meeting.



7. MEETINGS

At a minimum, the Board will meet ten times formally per annum and as frequently as may otherwise be required to deal with urgent matters, which might arise between the scheduled meetings.

A meeting of the Board will usually be convened by the Chairman, although under WDS' Constitution, a meeting may be called by any director.

All directors are expected to diligently prepare for, attend, and participate in all Board meetings. At a minimum, a quorum of directors under WDS' Constitution is two. Except where specifically agreed by the Chairman (for example to execute a specific task), the quorum should comprise at least one Non-Executive Director.

Meetings of the Board may be held or participated in by conference call or similar means. Resolutions of the Board may be passed by circular resolution or in writing in accordance with WDS' Constitution.

The Chairman in conjunction with the Group Managing Director/Chief Executive Officer should ensure the availability and, if necessary, the attendance at the relevant meeting, of any member of the Senior Executives responsible for a matter included as an agenda item at the relevant meeting.

The external auditor should meet with the Board in the course of preparing the half-yearly and annual accounts.

8. DIRECTOR SHARE TRADING

The WDS Personnel Share Trading Policy imposes restrictions on the trading of shares by Directors and others with undisclosed price sensitive information. All Directors must comply with that Policy.

9. CORPORATE GOVERNANCE

9.1 The Board is responsible for the adoption, oversight and administration of relevant corporate governance materials of WDS, including but not limited to those documents listed in paragraph 2.3.

9.2 The Annual Report will include a Corporate Governance Statement which will contain the content required by the *ASX Principles* (as well an explanation of any departures from the Best Practice Recommendations).

9.3 As part of an effective communications strategy, WDS will maintain and keep current its Corporate Governance website.

10. PERFORMANCE

To determine whether it is functioning effectively, the Board shall:

- (a) review this Charter annually; and
- (b) undertake an evaluation of its performance at intervals considered appropriate by the Chairman.



11. SUSTAINABILITY

- 11.1 The Board is responsible for ensuring that WDS's activities effectively address the economic, social and environmental impacts of its operations.
- 11.2 The WDS Annual Report will include a Sustainability Report addressing WDS' governance, economic, social and environmental performance.