



## **Board Charter**

Ardent Leisure Limited's shares are stapled to units in Ardent Leisure Trust (Trust), together forming Ardent Leisure Group (the **Group**) and are traded on the Australian Stock Exchange (ASX:AAD). The directors of the Group are committed to the establishment of a flexible and effective system of corporate governance and have decided to set out the roles and responsibilities of the Board and senior management in a Board Charter.

## **ROLES AND RESPONSIBILITIES**

The primary role of the Board is to promote the long term health and prosperity of the Group and to build sustainable value for security holders. Under the *Corporations Act (Cth) 2001* the Board must act in the best interests of security holders.

Specifically, the Board is responsible for:

- Setting objectives, goals and strategic direction;
- Approving and monitoring progress of major capital expenditure, capital management, acquisitions and divestments;
- Monitoring financial performance;
- Oversight and approval of accounting, risk management and compliance control systems;
- Monitoring financial and other reporting;
- Appointing and removing the Chief Executive Officer and Chief Financial Officer;
- Monitoring the performance of management;
- Monitoring compliance with legal and ethical behaviour; and
- Ensuring effective communications with security holders and other stakeholders.

## **ROLE OF THE CHAIRPERSON**

The Chairperson is responsible for the following:

- The leadership of the Board;
- The efficient organisation and operation of the Board;
- Briefing all Directors in relation to issues arising at Board meetings;
- Facilitating effective contributions from all Directors;
- Promoting constructive relations between Directors and management; and
- Ultimately setting the Board meeting agenda.

## **MATTERS RESERVED FOR THE BOARD**

The following powers are specifically reserved for the Board of Ardent Leisure Limited:

- Approval of the strategic plan and annual operating and capital expenditure budgets;
- Approval of Treasury policies (including foreign exchange exposures and derivatives);
- Approval of financial and operational risk management strategies;
- Establishment, acquisition, cessation or disposal of any division or business unit;
- Approval of financial statements and any significant changes to accounting policies;
- Approval of dividend payments;
- Consideration of recommendations from the Audit & Risk Committee for the appointment and removal of auditors;
- Appointment and removal of any of the Chief Executive Officer, the Chief Financial Officer or Company Secretary;
- Appointment of Chief Executive Officers to each of the divisional subsidiaries;
- Approval of Charters of Board Committees and the appointments to and removal from Board Committees;
- Any changes to discretions which have been delegated by the Board;
- Formulation of policy regarding charitable and political donations;
- Approval of the Occupational Health and Safety Policy;
- Approval of the Environmental and Sustainability policies;
- Changes to the Group's capital structure including the issue of shares, options, equity instruments or other securities;
- Any change to the divisional operating structure;
- Any key public statements which relate to significant issues concerning changes to key strategy or Group policy;
- Approval of Directors and Officers Liability Insurance;
- Terms and conditions of the appointment of Directors and the Chief Executive Officer (other than those that are the ambit of the Remuneration & Nomination Committee);
- Establishment or changes to any employee share schemes and the allocation of executive share options;
- Entering into by Ardent Leisure Limited or its subsidiaries of any of the following (above pre-defined limits):
  - a) commitment to invest equity into a project;
  - b) contract to acquire or dispose of an asset or assets;
  - c) external credit facilities; or
  - d) procurement of individual bonds;
  - e) granting of guarantees;
  - f) contingent liabilities; and

- g) an agreement involving the establishment of any third party investment vehicle;
- Any matter which, according to law, is expressly reserved for Board determination.

The following powers are specifically reserved for the Board of Ardent Leisure Management Limited (as Responsible Entity of Ardent Leisure Trust):

- Approval of the strategic plan and annual operating and capital expenditure budgets;
- Approval of Treasury policies (including foreign exchange exposures and derivatives);
- Approval of the financial and operational risk management strategies;
- Establishment, acquisition, cessation or disposal of any division or business unit;
- Approval of financial statements and any significant changes to accounting policies;
- Approval of distribution payments;
- Consideration of recommendations from the Audit & Risk Committee for the appointment and removal of auditors;
- Any changes to discretions which have been delegated by the Board;
- Entering into by Ardent Leisure Trust or a controlled entity of any of the following (above pre-defined limits):
  - a) commitment to invest equity into a project;
  - b) contract to acquire or dispose of an asset or assets;
  - c) external credit facilities; or
  - d) procurement of individual bonds;
  - e) granting of guarantees;
  - f) contingent liabilities; and
  - g) an agreement involving the establishment of any third party investment vehicle;
- Any matter which, according to law, is expressly reserved for Board determination.

## **INDEPENDENCE**

### **Definition of Independence**

The Board recognises that independent directors are important in assuring investors that the Board is properly fulfilling its role and is diligent in holding management accountable for its performance.

A majority of the Board should be independent Directors. The independence of the Directors is assessed annually taking into account such matters as contractual interests, significant security holdings, relationships with key advisers, suppliers and customers and any prior executive employment within the Group.

The independence of each Director will be disclosed annually in the Group's annual report.

### **Composition**

The following will apply to Board composition subject to the rights of members under the Constitution to elect a majority of the directors:

- Independent directors should comprise a majority of the Board;

- Ensure that the Directors appointed provide an appropriate range of qualifications and expertise; and
- A lead independent Director should be appointed by the Board if the Chairman is not independent.

### **Right of Access to Information**

The Board may seek further information on any issue, including requesting that particular executives present information on the performance, strategy, outlook or particular assets. Each Director is required to enter into a Deed of Access, Insurance and Indemnity.

Each Director will have direct access to the Company Secretary.

### **Confidentiality**

All Group related information acquired by Directors during their appointment is confidential to the Group and should not be released, either during the term of the Directors' appointment or following their termination without prior approval of the Board.

### **Conflicts of Interest**

Directors should not have any business or other relationship that could materially influence or interfere with the exercise of their independent judgement apart from those declared to the Board under the Corporations Act 2001, ASX Listing Rules and other general law requirements.

Directors with a material personal interest in a matter must not be present at a Board meeting during the consideration of the matter and subsequent vote unless the Board (excluding the relevant Board member) resolves otherwise. Directors with a conflict not involving a material personal interest may be required to absent themselves from the relevant deliberations of the Board.

### **Right to Independent Legal Advice**

Each Director shall have the ability to request independent professional legal advice where that Director considers it necessary to carry out their duties and responsibilities. Any costs incurred as a result of the director consulting an independent expert will be borne by the Group, subject to the estimated costs being approved by the Chairman in advance as being reasonable.

The procedure for requesting legal advice is as follows:

- Where a Director considers that he or she may require independent advice, that Director should approach the Company Secretary for a list of current advisers. This is in order to ensure that the Director is able to select an adviser who is independent of the Group.
- The Director should advise the Chairman of the nature of and reasons for the advice being sought, the name of the professional adviser selected by the Director and the fee estimate for the advice.
- The Chairman will consider the proposal on a timely basis and if reasonable authorise the request. The Chairman must not unreasonably withhold such authorisation.

- The Chairman may delegate the authority to authorise the payment of the professional adviser's expenses to another Director or to the Company Secretary.

### **Relationship with Management**

The Board may delegate specific authorities to Board Committees and to management. These Committees and delegated authorities typically make decisions regarding implementation of decisions.

### **MEETINGS**

The Board will meet on a regular basis with meetings being scheduled as the Chairman shall deem appropriate. In addition, the Company Secretary is required to convene a meeting if requested to do so by any Director. Directors are required to attend as many Board meetings as possible and to have read and considered the Board papers ahead of each meeting.

The number of directors necessary to constitute a quorum is two.

A motion shall be passed by a majority of votes cast in favour by directors present at the meeting. In addition to the above meetings, the independent directors may meet at least once per year without management being present and at such other times as they may determine appropriate.

### **COMMITTEES**

The directors may delegate any of their powers to a committee or individuals. The directors shall as a minimum establish an Audit & Risk Committee and a Remuneration / Nomination Committee. Each such committee shall adopt a charter setting out matters relevant to composition, responsibilities, administration and other matters that the Board or committee consider appropriate.

### **INDUCTION AND TRAINING**

#### **Induction**

Each new director should upon appointment, participate in an induction programme. This will include meeting senior management and site visits to gain an understanding of the Group's operations and procedures.

#### **Training**

Directors should ensure that they keep themselves adequately informed in respect of relevant industry and regulatory issues and changes. Each director will be invited to participate in asset tours from time to time.

Any other training requirements should be discussed with, and if appropriate, arranged by the Company Secretary with the Chairman's approval.

### **PERFORMANCE EVALUATION**

Each Director will participate in an annual performance evaluation which will be reviewed by the Chairman. The process for conducting Director performance evaluations is documented in the Director Performance Evaluation Guidelines.