

Haodex Ltd

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BOARD CHARTER

1. Role of the Board

This Board charter sets out the principles for the operation of the Board of Directors of the Company and describes the functions of the Board and those functions delegated to management of the Company.

The Board is accountable to shareholders for the performance of the Company. The Board must at all times act honestly, fairly and diligently in all respects in accordance with the laws applicable to the Company and must act in the best interests of the shareholders of the Company and other stakeholders.

This Board Charter and the charters adopted by the Board for the Committees established by the Board have been prepared and adopted on the basis that corporate governance and good governance procedures can add to the performance of the Company and the creation of shareholder value.

2. Responsibilities of the Board

The Board is responsible for the management of the affairs of the Company, including:

(a) Strategic and financial performance

- Developing and approving the corporate strategy.
- Evaluating, approving and monitoring the strategic and financial plans of the Company.
- Evaluating, approving and monitoring the annual budgets and business plans.
- Evaluating, approving and monitoring major capital expenditure, capital management and all major corporate transactions, including the issue of securities of the Company.
- Appointment of the Chairman of the Company.

(b) Executive management

- Appointing, monitoring, managing the performance of, and if necessary terminating the employment of the Chief Executive. The Board will consider the Chief Executive's authorities and accountabilities, as well as performance indicators to provide monitoring benchmarks.
- Managing succession planning for the positions of Chief Executive and such other key management positions which may be identified from time to time.
- Liaising with the Chief Executive in relation to the appointment and termination of such key management positions which may be identified from time to time.

(c) Audit and risk management

- Approving the Company's risk and audit framework, (including but not limited to) systems of risk management and internal control. Approving compliance with the Company's risk and audit policies and protocols.
- Monitoring the Company's operations in relation to, and compliance with relevant regulatory and legal requirements.

(d) Strategic planning

- The Board will be actively and regularly involved in strategic planning and reviewing, developing and considering strategic planning issues.
- Strategic planning will be based on the identification of opportunities and the full range of business risks that will determine which of those opportunities are most worth pursuing.
- The Board will, on an ongoing basis, review with management how the strategic environment is changing, what key business risks and opportunities are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted.

(e) Corporate governance

- The Board must review and approve all disclosures related to any departures from the ASX principles of good corporate governance.
- The Board must review and approve the disclosure of any of the Company's policies and procedures to the general public.
- The Board will supervise the public disclosure of all matters that the ASX best practice recommendations recommend be publicly disclosed consistent with the Continuous Disclosure Policy approved by the Board.
- The Board will establish and monitor performance and reporting of Committees of the Board.
- The Board will establish the pointment of Directors to Committees.
- The Board will approve and monitor delegations of authority.

3. Structure of the Board

3.1 Overview

The Board determines the size and composition of the Board subject to the terms of the Constitution of the Company.

3.2 Directors

Each Director is bound by all the Company charters, policies and codes of conduct, including without limitation:

- the Company's Share Trading Policy; and

- the Company's Continuous Disclosure Policy.

The Directors of the Company shall:

- (a) conduct their duties at a high level of honesty and integrity;
- (b) observe the law and comply with applicable standards;
- (c) maintain the confidentiality of all information acquired in the course of conducting the role and not make improper use of, or disclose to third parties, any confidential information unless that disclosure has been authorised by the Board, or is required by law or by the ASX Listing Rules;
- (d) observe the principles of independence, accuracy and integrity in dealings with the Board, Board committees, internal and external auditors and senior management within the Company;
- (e) disclose to the Board any actual or perceived conflicts of interest, whether of a direct or indirect nature of, which the Director becomes aware of and which the Director reasonably believes may compromise the reputation or performance of the Company; and
- (f) set a standard of honesty, fairness, integrity, diligence and competency in respect of the position of Director.

3.3 Role of the Chairman

The Chairman is responsible for leadership of the Board, for the efficient organisation and conduct of the Board's function and for the briefing of all directors in relation to issues arising at Board meetings. The Chair should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between board and senior management.

3.4 Specific duties of the Chairman

The Chairman will:

- (a) chair Board meetings;
- (b) establish the agenda for Board meetings, in consultation with the Chief Executive (CEO) and Company Secretary;
- (c) chair meetings of members, including the annual general meeting of the Company;
- (d) be the primary channel of communication and point of contact between the Board (and the Directors) and the CEO;
- (e) provide guidance to the CEO;
- (f) chair the CEO evaluation process by the Board;

3.5 Role of the Chief Executive (CEO)

The CEO is responsible for running the affairs of the Company under delegated authority from the Board and to implement the policies and strategy set by the Board.

All reports to the Board must present a true and fair view of the Company's financial condition and operational results.

3.6 Specific responsibilities of the Chief Executive (CEO)

- (a) develop with the Board, implement and monitor the strategic and financial plans for the Company, the annual budgets and business plans, major capital expenditure, capital management and all major corporate transactions, including the issue of any securities of the Company;
- (b) manage the appointment of senior management positions;
- (c) develop, implement and monitor the Company's risk and audit management framework;
- (d) consult with the Chairman and the Company Secretary in relation to establishing the agenda for Board meetings as well as all matters of significance where it is appropriate to do so;
- (e) in conjunction with the Chairman, consider and approve all disclosures of information to the ASX in accordance with the Continuous Disclosure Policy of the Company;
- (f) be the primary channel of communication and point of contact between the executive management and the Board (and the Directors);
- (g) keep the Chairman fully informed of all material matters which may be relevant to the Board, in their capacity as Directors of the Company;
- (h) provide strong leadership to, and effective management of, the Company;
- (i) ensure that the Company has regard to the interests of employees and customers of the Company and the community and environment in which the Company operates; and
- (j) otherwise carry out the day to day management of the Company.

4. Confidential Information

The Board has established the following principles to apply in respect of information of the Company:

- (a) the Board will approve the nature of any information to be disclosed to any third party and the manner in which such information can be disclosed;
- (b) all Directors, including any Directors nominated by a shareholder, are required to keep all information provided to them in their capacity as a Director confidential.

5. Conflicts of interest

The Directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole free of conflicts of interest.

If a Director considers that he or she might be in a position where there is a reasonable possibility of conflict between his or her personal or business interests, the interests of any associated person, or his or her duties to any other company, on the one hand, and the interests of the Company or his or her duties to the Company, on the other hand, the Board will require that the Director:

- (a) fully and frankly informs the Board about the circumstances giving rise to the conflict; and
- (b) if such conflict is a material personal interest, abstains from voting on any motion relating to the matter and absenting himself or herself from all Board deliberations relating to the matter including receipt of Board papers bearing on the matter.

If a Director believes that he or she may have a conflict of interest or duty in relation to a particular matter, the Director should immediately consult with the Chairman.

6. Board committees

The Board has established the following committees:

- Audit Committee;
- Remuneration Committee; and

It is the Board's policy that a non-executive director chairs each committee.

Audit Committee

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes such as the safeguarding of assets, maintenance of proper accounting records, the reliability of financial information and non-financial considerations such as the benchmarking of operational key performance indicators. The Audit Committee provides a forum for effective communication between the Board and the external auditor. The Audit Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial report.

The Audit Committee meets at least twice a year with the auditors.

External Auditors

The Company and the Audit Committee policy are to engage auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually.

An analysis of fees paid to the external auditors, including details of fees for non-audit services if any, will be shown in the Directors' Report. It is the policy of the external auditors to provide an annual declaration of independence to the Audit Committee.

The external auditor is required to attend the Annual General Meeting of the Company and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Remuneration Committee

The Board is responsible for determining and reviewing compensation arrangements for the directors and the executive team. The Board has established a Remuneration Committee.

7. Remuneration

The level of non-executive Director's remuneration will be set by the Board and is subject to any Listing Rule or Corporations Act requirements.

8. Continuous Disclosure

The Board has adopted a policy related to the continuous disclosure obligations of the Company under the ASX Listing Rules. The Company Secretary will oversee the implementation of that policy and the Board will consider continuous disclosure as a standing item at Board meetings.

9. Independence

A director will be considered an independent director if the director:

- (a) is not a substantial shareholder of the Company, being a shareholder who does not have more than a 5% interest in the Company;
- (b) has not been employed within the last 3 years as an executive of the Company;
- (c) has not within the last 3 years been a principal of a material professional adviser or consultant to the Company;
- (d) is not a material supplier, customer or other contractor of the Company; and
- (e) is otherwise considered by the Board to be independent.



FRANK HUANG
DIRECTOR