



Inabox Group Limited

Board Charter



CONTENTS

1	Introduction	3
2	Purpose of charter	3
3	Membership and term of Board	3
4	Responsibilities	4
4.1	General responsibilities	4
4.2	Committees.....	4
5	The function of the Chairman	5
6	Board meetings	5
7	Directors	6
7.1	Responsibilities	6
7.2	Independence of directors.....	6
8	Review of Board Charter	7
9	Other matters	7
10	Date of adoption	7

1 Introduction

Inabox Group Limited (IAB) is a public company admitted to the official list of the Australian Securities Exchange (ASX).

A reference in this Board Charter to:

- (a) the Board means the board of directors of IAB;
- (b) Committee means the Audit and Risk Committee established by the Board; and
- (c) IAB Group means IAB and any subsidiaries of IAB from time to time.¹¹

2 Purpose of charter

- (a) The purpose of this Board Charter is to:
 - (i) set out the composition of the Board ;
 - (ii) confirm the functions and responsibilities of the Board; and
 - (iii) establish the corporate governance structure of IAB.
- (b) The Board must conduct itself within the requirements of the Corporations Act 2001 (Cth) (Corporations Act) and the listing rules of the ASX (Listing Rules).
- (c) The Board must either comply with the ASX Corporate Governance Principles and Recommendations (Recommendations) or, where the Board fails to comply with any recommendations, ensure that the reasons for such non-compliance during the relevant period are disclosed in the annual report of IAB.
- (d) The conduct of the Board is also governed by:
 - (i) the constitution of IAB (Constitution);
 - (ii) the IAB Code of Conduct;
 - (iii) the IAB Securities Trading Policy;
 - (iv) the IAB Continuous Disclosure Policy;
 - (v) the IAB Communications Policy; and
 - (vi) the IAB Diversity Policy, each as amended from time to time.

All directors must be familiar with the terms of, and ensure that they comply with, each of the above governance documents.

3 Membership and term of Board

- (a) In accordance with the Constitution:
 - (i) There will be a minimum of three directors (not counting alternate directors). The maximum number of directors is ten unless the members in general meeting resolves otherwise. The Board may review this requirement from time to time.
 - (ii) The directors may appoint a person as a director by resolution of the Board (please refer to clause 4.2 of the Constitution).

¹¹ At the time this Board Charter was adopted by the Board there were no subsidiaries of IAB.

- (iii) Directors hold office until they die, vacate the office in accordance with the Constitution or their letter of appointment, or the term for which they have been appointed or elected expires (please refer to clause 4.3 of the Constitution).
 - (iv) A director may appoint an alternate director, approved by a majority of the other directors, to attend Board meetings in his or her place, together with any other rights conferred upon an alternate director in accordance with the terms of appointment approved by the other directors (please refer to clause 4.5 of the Constitution).
- (b) In accordance with the Recommendations, the appointment of all directors will be confirmed by a formal letter of appointment.

4 Responsibilities

4.1 General responsibilities

Without limitation to the duties and responsibilities of directors under the Corporations Act, the Constitution and all applicable laws, the Board is responsible for:

- (a) oversight of the IAB Group, including its control and accountability systems;
- (b) setting the aims, strategies and policies of the IAB Group, in particular in respect of:
 - (i) the direction of IAB's Telcoinabox business; and
 - (ii) the direction of IAB's iVox business;
- (c) without limiting the Board's responsibilities under clause 4.1(a):
 - (i) appointing and removing the managing director of IAB (or equivalent);
 - (ii) where appropriate, ratifying the appointment and the removal of senior executives of IAB including, but not limited to, the chief financial officer (or equivalent) and company secretary;
- (d) providing input into and final approval of management's development of corporate strategy and performance objectives for the IAB Group;
- (e) reviewing, ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance for the IAB Group;
- (f) monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available;
- (g) approving and monitoring the progress of major capital expenditure, financial reporting, capital management and acquisitions and divestitures for the IAB Group; and
- (h) without limiting the Board's responsibilities, approving and monitoring financial and other reporting obligations of entities within the IAB Group.

4.2 Committees

- (a) The Board has established an Audit and Risk Committee and has delegated its audit and risk management function in respect of the IAB Group to the Audit and Risk Committee. The conduct of the Audit and Risk Committee is governed by the IAB Audit and Risk Committee Charter.
- (b) The Board has established a Nomination and Remuneration Committee and delegated its nomination and remuneration function in respect of the IAB Group to the Nomination and Remuneration Committee. The conduct of the Nomination and Remuneration Committee is governed by the IAB Nomination and Remuneration Committee Charter.

- (c) The existence of the Audit and Risk Committee and the Nomination and Remuneration Committee should not be seen as implying a fragmentation or diminution of the responsibilities of the Board as a whole.

5 The function of the Chairman

- (d) The Chairman is appointed by the Board.
- (e) The roles of the Chairman and the managing director must remain separate.
- (f) In addition to the Chairman's responsibilities as a director, the Chairman is responsible for:
 - (i) leading the Board in discharging its duties to IAB and the IAB Group;
 - (ii) the efficient organisation and conduct of the Board's functioning;
 - (iii) chairing Board meetings and directing Board discussions so that there is an effective use of time and that critical issues are discussed;
 - (iv) facilitating the effective contribution of all directors and promoting constructive and respectful relations between directors and between the Board and management;
 - (v) ensuring the Board is participating in setting the aims, strategies and policies of the IAB Group;
 - (vi) ensuring there is adequate monitoring, pursuit and performance of the aims, strategies and policies of the IAB Group;
 - (vii) briefing all directors in relation to issues arising at meetings of the Board;
 - (viii) ensuring that the Board is kept properly informed of the financial position and performance of IAB; and
 - (ix) chairing general meetings of IAB in accordance with the Constitution.
- (g) The Chairman is required to commit sufficient time in order to properly discharge the role of chairman.

6 Board meetings

- (a) In accordance with the Constitution:
 - (i) A director may at any time, and the company secretary must upon the request of a director, convene a Board meeting.
 - (ii) A quorum for Board meetings is two directors unless the Board determines otherwise. Each director has one vote.
 - (iii) Decisions of the Board are decided by a majority of votes of directors present and entitled to vote.
 - (iv) In the case of an equality of votes on a resolution at a Board meeting, the Chairman will have a second or casting vote on that resolution in addition to any vote the Chairman has in his or her capacity as a director in respect of that resolution, other than in the case where there are only two directors competent to vote on the resolution at issue.
 - (v) The proceedings of all Board meetings are to be minuted and the minutes be circulated to, and approved by, directors prior to or at the next successive meeting. In accordance with the Corporations Act, the minutes of all Board meetings must be signed by the chair of the meeting within a reasonable time after the meeting.

- (b) In accordance with the Corporations Act, minutes of all Board meetings must be lodged in the Company's minute book within one month of each Board meeting being held.

7 Directors

7.1 Responsibilities

Without limitation to the duties and responsibilities of directors under the Corporations Act, the Constitution and all applicable laws, each director has the following responsibilities in addition to the responsibilities of the Board as a whole:

- (a) directors must attend Board meetings and meetings of any committees upon which they sit;
- (b) directors must apply their minds to any matters raised at Board meetings or in relation to the business of IAB and raise any issues or questions, or make any enquiries, which they believe are material to the effective operation of IAB;
- (c) directors must comply with this Charter, the Constitution and the Corporations Act in relation to voting at Board meetings; and
- (d) directors have an ongoing obligation to disclose conflicts of interest that may arise in the course of carrying out their duties as a director of IAB. In accordance with the Corporations Act:
 - (i) each director must give the other directors notice of any conflict which may arise in respect of matters being considered by the Board; and
 - (ii) if the conflict is a material personal interest in the matter (as defined in the Corporations Act), that director must not:
 - A. be present while the matter is being considered at a Board meeting; or
 - B. vote on the matter.

7.2 Independence of directors

- (a) Details of the membership of the Board will be disclosed in the annual report of IAB, including whether a director is independent or not independent. If a director's independent status changes, this will be disclosed and explained to the market in a timely manner.
- (b) There are several factors the Board should take in to account when determining the independent status of a director. An independent director is a non-executive director and:
 - (i) is not a substantial shareholder in IAB or an officer of, or otherwise associated directly with, a substantial shareholder in IAB;²
 - (ii) is not employed by IAB and, if the director has previously been employed in an executive capacity by IAB or another group member, there has been a period of at least three years since ceasing such employment;
 - (iii) within the last three years has not been a principal of a material professional adviser or a material consultant to IAB or another group member, or an employee materially associated with the service provided;
 - (iv) is not a material supplier or customer of IAB or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
 - (v) has no material contractual relationship with IAB or another group member other than as a director; and

² In accordance with the Corporations Act, a director is a substantial shareholder in IAB if the director has a relevant interest in at least 5% of the voting shares in IAB

- (vi) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the independent exercise of the director's judgement.

8 Review of Board Charter

It is intended that the Board will review this Board Charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

9 Other matters

Various matters relating to the Board are governed by the Constitution and are not reproduced here.

10 Date of adoption

This Board Charter was adopted by the Board on 10 May 2013.