

Board charter

Regis Healthcare Limited (**Company**)

ACN 125 203 054

Adopted by the Board on 18 September 2014

Contents

Table of contents

	Charter	2
1	Introduction	2
2	Board composition	2
	2.1 Board composition and size.....	2
	2.2 Director independence and tenure	2
3	Board role and responsibilities	3
	3.1 Board role	3
	3.2 Board key responsibilities	3
	3.3 Reserved authorities	4
	3.4 Director responsibilities.....	5
4	Nomination – Roles, responsibilities, policy, procedure and disclosure of the selection and appointment of new directors	5
	4.1 Roles and responsibilities – Nomination.....	5
	4.2 Policy	5
	4.3 Procedure	6
5	Delegation of duties and powers	6
	5.1 Relationship with management.....	6
	5.2 Directors are entitled to request additional information at any time when they consider it appropriate. Role of the CEO	6
	5.3 Delegation to Committees	7
6	Board process	7
	6.1 Meetings	7
	6.2 The Chair	7
	6.3 The Company Secretary.....	7

Attachment 1

Attachment 2

Performance evaluation process in relation to the Board and its Committees

1 Introduction

The Board of the Company has adopted this Board Charter to outline the manner in which its constitutional powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance, and applicable laws.

This Charter includes an overview of:

- Board composition and process;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board Committees.

The Board Charter and the charters adopted by the Board for its standing Committees have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market.

This Charter is to be reviewed by the Board as required and at least annually.

2 Board composition

2.1 Board composition and size

- The Board is appointed by the shareholders. Non-executive Directors are engaged through a letter of appointment.
- The Board determines the size and composition of the Board, subject to the terms of the Company's Constitution.
- It is intended that the Board comprise a majority of independent non-executive Directors and Directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.
- The Board, will review the skills, experience, expertise and diversity represented by Directors and determine whether the composition and mix remain appropriate for the Company's strategy and covers the skills needed to address existing and emerging business and governance issues relevant to the Company.

2.2 Director independence and tenure

- The Board regularly reviews the independence of each Non-executive Director in light of information relevant to this assessment as disclosed by each Non-executive Director to the Board.
- The Board only considers a director to be independent where he or she is free of any interest, position, or relationship that might influence, or might reasonably be perceived to influence, in a material respect his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party. The Board has adopted a definition of independence

that is based on that set out in the ASX Corporate Governance Council's Principles and Recommendations (4th edition) (see Attachment 1).

- The Board does not believe that it should establish an arbitrary limit on tenure. While tenure limits can help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight in the Company and its operation and, therefore, an increasing contribution to the Board as a whole. Accordingly, tenure is just one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director in the context of the overall Board process.

3 Board role and responsibilities

3.1 Board role

The Board's role is to:

- represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives and reviewing management performance;
- protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and monitor compliance with the Company's values and governance framework (including establishing and observing high ethical standards and demonstrating leadership); and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

3.2 Board key responsibilities

The responsibilities/functions of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Chief Executive Officer (**CEO**);
- contributing to and approving management development of corporate strategy, including defining the company's purpose, setting strategic objectives and approving operating budgets;
- approving the risk appetite within which the Board expects management to operate;
- monitoring systems of risk management, internal control and legal compliance. This includes reviewing procedures to identify the main financial and non-financial risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and management's implementation of the Company's strategy, and promotion of the Company's values;

- receiving information regarding material breaches of the Code of Conduct and Anti-Bribery and Corruption Policy and reports of material incidents under the Company's Whistleblower Protection Policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- approving financial reports, profit forecasts and other reports required at law or under the ASX Listing Rules to be adopted by the Board;
- overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- approving the Company's values and Code of Conduct, and monitoring corporate culture;
- approving the Company's annual Modern Slavery Statement;
- reviewing corporate governance policies;
- approving the measurable objectives for achieving gender diversity in the composition of the Board, senior executive team and workforce generally and assessing the Company's progress in achieving those objectives;
- satisfying itself that the Company's remuneration framework is aligned with the Company's purpose, values, strategic objectives and risk appetite;
- reviewing performance targets for the CEO and direct reports to the CEO, considering performance against those targets and determining/reviewing remuneration outcomes; and
- performing such other functions as are prescribed by law or are assigned to the Board.

3.3 Reserved authorities

Matters which are specifically reserved for the Board or its committees include:

- appointment of a chair;
- appointment and removal of the CEO;
- appointment of directors to fill a vacancy or as additional Director;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends and other capital management initiatives;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders;
- issues of equity by the Company;
- appointment of receiver or liquidator to the Company or a subsidiary;
- any related party transactions;
- any political contributions and

- any other specific matters nominated by the Board from time to time.

3.4 Director responsibilities

- Directors will act at all times with honesty and integrity and will observe the highest standards of ethical behaviour.
- Directors will ensure that no decision or action is taken that has the effect of prioritising their personal interests over the Company's interests.
- Directors will be expected to participate in all induction and orientation programs and any continuing education or training arranged for them.
- The Board collectively, and each Director individually, has the right to seek independent professional advice, subject to the approval of the Chair.

4 Nomination – Roles, responsibilities, policy, procedure and disclosure of the selection and appointment of new directors

4.1 Roles and responsibilities – Nomination

The responsibilities of the Board are as follows:

- (a) Develop a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.
- (b) Review the size and composition of the Board, including review of Board succession plans and the succession of the Chairman of the Board and CEO, having regard to the objective that the Board comprise directors with a broad range of skills, expertise and experience from a broad range of backgrounds.
- (c) Review the criteria for Board membership.
- (d) Review the composition and membership of the Board.
- (e) Evaluating, at least annually, the performance of the Board, its committees and individual directors in accordance with the process set out in Attachment 2.
- (f) Develop and implement plans for identifying, assessing and enhancing director competencies.
- (g) Monitor that processes are in place to support director induction and ongoing education and regularly review the effectiveness of these processes.

4.2 Policy

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- the skills, experience, expertise and personal qualities that will best complement Board effectiveness having regard to the Board skills matrix;
- the existing composition of the Board, having regard to the factors outlined in the Board Diversity Policy and the objective of achieving a Board comprising Directors from a diverse range of backgrounds;

- the capability of the candidate to devote the necessary time and commitment to the role (this involves a consideration of matters such as other Board or executive appointments); and
- potential conflicts of interest, and independence.

4.3 Procedure

- Detailed background information in relation to a potential candidate should be provided to all directors.
- The identification of potential director candidates may be assisted by the use of external search organisations as appropriate.
- Appropriate checks should be undertaken before appointing a person, or putting forward to shareholders a candidate for election, as a director.
- An offer of a Board appointment must be made by the Chairman of the Board only after having consulted all directors.
- All new Board appointments should be confirmed by letter in the standard format as approved by the Board from time to time.

5 Delegation of duties and powers

5.1 Relationship with management

- Directors may delegate their powers as they consider appropriate. However, ultimate responsibility for strategy, control, and performance of the Company rests with the directors.
- Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- The Board is responsible for satisfying itself that the Board reporting framework is appropriate. Directors are entitled to request additional information at any time when they consider it appropriate.
- The Board will regularly monitor the performance of the CEO and senior executive team and where required, provide feedback to and challenge the CEO and senior executives.

5.2 Role of the CEO

- While the Board retains ultimate responsibility for the strategy and performance of the Company, the day-to-day operation of the Company is conducted by, or under the supervision of, the CEO as directed by the Board (and by other officers to whom the management function is properly delegated by the CEO).
- The Board approves strategic objectives for the CEO to work towards and, jointly with the CEO, develops the duties and responsibilities of the CEO.
- The management team (being the CEO and other personnel to whom the management function is properly delegated by the CEO) is responsible for implementing strategic objectives, plans and budgets approved by the Board.

5.3 Delegation to Committees

- The Board from time to time establishes Committees to streamline the discharge of its responsibilities.
- Each standing Committee adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- The permanent standing Committees of the Board are the:
 - Audit, Risk and Compliance Committee,
 - People and Remuneration Committee; and
 - Clinical Governance and Care Committee.
- The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.

6 Board process

6.1 Meetings

- The Board will meet regularly.
- Periodically, Non-executive Directors will meet without Executive Directors or management present as and when needed.
- Directors will use all reasonable endeavours to attend Board meetings in person.
- The Company's Constitution governs the regulation of Board meetings and proceedings.

6.2 The Chair

- The Board will appoint one of its members to be Chair.
- It is intended that the Chair should be an independent Non-executive Director.
- The Chair represents the Board to the shareholders and communicates the Board's position.
- The Chair is responsible for leading the Board, facilitating effective contribution of all directors and promoting respectful and constructive communication between directors and between the Board and management.

6.3 The Company Secretary

- The Board will appoint at least one Company Secretary.
- The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- The Company Secretary is responsible for coordination of all Board business, including agendas, board papers, minutes, communication with regulatory bodies and ASX, and all statutory and other filings.

- All Directors will have direct access to the Company Secretary.

Attachment 1

Guidelines of the Board of directors – Independence of directors

Without limiting the Board's discretion, the Board has adopted the following guidelines to assist in considering the independence of directors.

In general, a Director will not be considered to be 'independent' if he/she:

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

Notwithstanding the above, the Board may determine that a Director is independent if the Board is of the view that the interest, position or relationship in question is not material and will not 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 the Company as a whole rather than in the interests of an individual shareholder or other party.

•

Materiality

The Board will consider the materiality of the directors' interests, position, association or relationship for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles.

Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- The Board will determine the appropriate base to apply (eg revenue, equity or expenses), in the context of each situation.
- In general, the Board will consider a holding of 5% or more of the Company's shares to be material.
- In general, the Board will consider an affiliation with a business which accounts for less than 5% of the relevant base to be immaterial for the purposes of determining independence. However, where this threshold is exceeded, the materiality of the particular circumstance with respect to the independence of the particular director should be reviewed by the Board.

Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the director's interest, position or relationship might influence, or might be perceived to influence, in a material respect the director's capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

Attachment 2

Performance evaluation process

- The Board periodically undertake a performance review.
- Under the performance review, Directors will provide written feedback in relation to the performance of the Board and its Committees against a set of agreed criteria.
- Each Committee of the Board may also be required to provide feedback in terms of a review of its own performance.
- Feedback will be collected by or on behalf of the chair of the Board, or an external facilitator, and discussed by the Board, with consideration being given as to whether any steps should be taken to improve performance of the Board or its Committees.
- In the case of the Chair of the Board's performance, feedback will be collected by the Chair of People and Remuneration Committee or an external facilitator.
- The Chief Executive Officer will also provide feedback from senior management in connection with any issues that may be relevant in the context of the Board performance review.
- Where appropriate to facilitate the review process, assistance may be obtained from third party advisers.