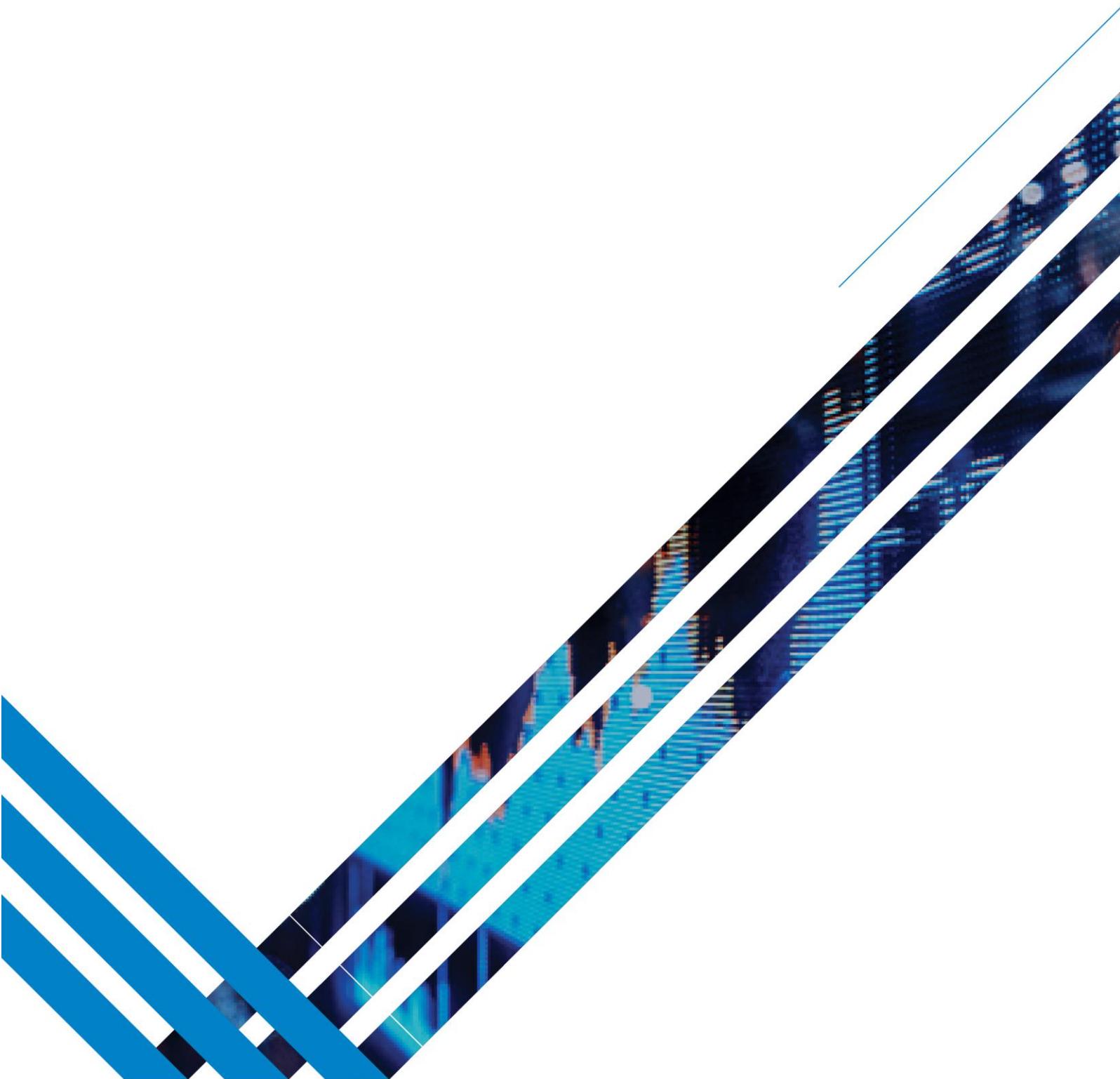




MAINSTREAM GROUP
HOLDINGS LIMITED
BOARD CHARTER
Effective 19 June 2019



MAINSTREAM GROUP HOLDINGS LIMITED BOARD CHARTER

This charter sets out the role, structure, responsibilities and operation of the Board of Mainstream Group Holdings Limited and its delegation of authority to management.

1. ROLE OF THE BOARD

The Board is responsible for the corporate governance of Mainstream Group Holdings Limited and its subsidiary companies (the **Group**). The Board accepts this role with the objective of ensuring the long-term prosperity of the Group for the benefit of its shareholders, employees, contractors, consultants and clients. In the course of undertaking its responsibilities, the Board at all times must act in a manner that is consistent with its duties and obligations as imposed by the Company's Constitution, the ASX Listing Rules and by the law. Should there be any inconsistency between this policy and the Constitution, the Constitution shall prevail.

2. DELEGATION TO MANAGEMENT

- 2.1. The Board has delegated authority for all for the day-to-day management of the Group's business to the Chief Executive Officer (CEO) and through them to other senior management.
- 2.2. The CEO is accountable to the Board for all authority delegated to management and the Group's performance, and is to discharge this accountability through the provision of management updates, reports and presentations to the Board on a regular basis.

3. BOARD COMMITTEES

- 3.1.** The Board may establish Committees as it considers appropriate to assist it in executing its functions.
- 3.2.** The permanent Committees of the Board presently, are:
 - › the Audit and Risk Committee;
 - › the Remuneration and Human Resources Committee.
- 3.3.** The Board will appoint or revoke the appointment of Committee members, the majority of whom for each Committee will be independent or non-executive Directors to the extent possible as assessed by the Board in accordance with its policy on the independence of Directors.
- 3.4.** The Board will appoint the Chairman of each Committee from each Committee's members. The Chairman of each Committee will be an independent or non-executive Director to the extent possible.
- 3.5.** The Board will periodically review the composition of each Committee to ensure each Committee has an appropriate balance of skills and experience.
- 3.6.** The Board will adopt a charter for each Committee, setting out the responsibilities delegated by the Board to the Committee and the Committee's structure and operation.
- 3.7.** The role of a Committee is to operate within the terms of its charter and to make recommendations to the Board for decision.

4. CONDUCT

- 4.1.** In giving effect to this charter, the Board will at all times act honestly, fairly, diligently and in accordance with the Constitutions of the Mainstream Group.
- 4.2.** Directors are required to comply with Board policies in relation to disclosing and managing conflicts of interest, dealing in Mainstream securities and other rules applicable to Directors, as adopted by the Board from time to time.
- 4.3.** Non-Executive Directors are required to consult with the Chairman before accepting any new commitments which may impact on the time they have available to undertake their responsibilities as a Director of Mainstream.

- 4.4.** Each Director is expected to observe the highest standards of corporate governance and act in a manner consistent with Mainstream's Core Values and Code of Conduct.

5. RESPONSIBILITIES

- 5.1.** The Board will assign responsibilities to individual directors from time to time.

- 5.2.** The principle responsibilities of the Board include:

I. Strategy

- a.** Define the Group's purpose and approve its strategic direction.
- b.** Input into and final approval of management's development of significant business strategies, business plans and corporate strategic corporate initiatives.
- c.** Oversee management's implementation and performance of their strategic goals.
- d.** Review how the strategic environment is changing, what key business risks and opportunities are appearing and how they are being managed.

II. Financial performance

- a.** Approve the annual budget and monitor financial performance.
- b.** Approve and monitor major capital expenditure, capital management, acquisitions and divestments.
- c.** Approve financial reports and material reporting.
- d.** Approve items of expenditure materially in excess of agreed budgets.
- e.** Approve any Group borrowings or material leases.

III. Risk and audit management

- a.** Appoint the external auditor, approve their proposed audit scope and fees and evaluate their performance.
- b.** Ensure the existence of a robust risk management framework and monitor that effective internal controls are in place for both financial and non-financial risks.

- c. Approve and oversee major policies governing the Group's operations or culture, including the Code of Conduct and statement of Values.
- d. Monitor the Group's operations in relation to, and in compliance with, relevant regulatory and legal requirements.
- e. Ensure that an appropriate framework exists for relevant information to be reported by management to the Board and for the Board to challenge management and hold them account, when required.
- f. Approve and oversee the integrity of accounting, financial and other corporate reporting systems and monitor the operation of these systems.

IV. Executive management and self-assessment

- g. Appoint and remove the CEO, evaluate their performance and determine their remuneration.
- h. Manage succession planning of Board members and other key management positions.
- i. Annually assess the performance of the Board, its committees and directors.
- j. With the assistance of Human Resources, approve and oversee the Group's remuneration framework, approve the remuneration of Board members and senior executives and ensure that the Group's remuneration policies align with the Group's purpose, values, strategy and risk appetite.

V. Corporate governance and disclosure

- k. Review, monitor and approve the effectiveness of the Group's governance policies and procedures.
- l. Ensure ongoing compliance with continuous disclosure requirements.
- m. Oversee an appropriate communications policy to promote effective engagement with shareholders.
- n. Oversee and monitor the Group's work, health and safety framework.
- o. Consider the social, ethical and environmental impact of the Group's activities.

6. COMPOSITION AND STRUCTURE

- 6.1.** The Board will be constituted in accordance with the Constitution of the Company.
- 6.2.** It is recognised that the ASX Recommendations establish a number of factors that may be considered when assessing the independence of directors. The factors are whether a director:
- a.** is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
 - b.** is employed, or has previously been employed in an executive capacity by the Group or another group member, and there has not been a period of at least 3 years between ceasing such employment and serving on the Board;
 - c.** has within the last 3 years been a principle of a material professional advisor or a material consultant to the Group or another group member, or an employee materially associated with the service provider;
 - d.** is a material supplier or customer of the Group or other group member, or an officer or otherwise associated directly or indirectly with a material supplier or customer;
 - e.** has a material contractual relationship with the Group or another group member other than as a director.
- 6.3.** These factors are only indicators of matters in which to assess the independence of a Director. The Board will assess the independence of each Director in light of the interests disclosed by them. The Board's assessment of the independence of Directors will be disclosed in the Company's future annual reports (to the extent deemed necessary).

7. INDUCTION, CONTINUING EDUCATION AND ACCESS TO INFORMATION

- 7.1.** New Directors will be provided with a letter of appointment which sets out their rights, duties and responsibilities.
- 7.2.** New Directors will participate in an induction programme involving comprehensive briefings from management on the Group's businesses and key issues and where necessary will undertake site visits.
- 7.3.** Business briefings will be provided to Directors at each Board meeting. In addition, each Director is expected to participate in all continuing education

programmes conducted for Directors, involving regular briefings by internal and external specialists on matters relevant to their role as Directors and key business and industry developments.

- 7.4.** All Directors will have access to Group information and members of management as required to fulfil their responsibilities, and may make direct requests for information or briefings on specific matters.

8. ACCESS TO INDEPENDENT ADVICE

If any matters arise in the course of the Director's Board duties for which independent professional advice is required, the Director may obtain that advice at the expense of the Company, provided that the Board approves the request for advice prior to the expense being incurred and the advice is given to the Board if requested. The Board may set a minimum or maximum expense limit at its discretion.

9. SHARE TRADING AND PERFORMANCE

9.1. Director Share Trading

The Trading Policy imposes restrictions on the trading of the Company's shares by people, including Directors with undisclosed price sensitive information. All Directors and employees must follow the Trading Policy.

9.2. Performance

Due to the current size of the Company and its level of activity, the Board is responsible for the evaluation of its performance and the performance of individual Directors and the Executives. This internal review is to be conducted on an annual basis and if deemed necessary this internal review will be facilitated by an independent third party. To determine whether it is functioning effectively, the Board shall:

- a.** review the Trading Policy annually; and
- b.** perform an evaluation of the Board's and management's performance at intervals considered appropriate.

9.3. Ethical standards and Share Trading

The Directors must perform their duties in line with the Company's objectives and with the utmost integrity. Furthermore, the Directors must comply with the Group's Code of Conduct, Trading Policy including Insider Trading prohibitions at all times.

9.4. Compliance with Laws

The Company must comply with the Corporations Act, the Listing Rules as well as all other applicable laws, statutes and policies. Examples of applicable areas of regulation include:

- a.** Regulatory Guides and Practice Notes issued from time-to-time by the Australian Securities & Investments Commission and guidance notes issued by the Australian Stock Exchange;
- b.** occupational health & safety legislation;
- c.** employment related legislation;
- d.** anti-discrimination legislation; and
- e.** taxation legislation.

10. CHAIRMAN

- 10.1.** The Directors will appoint one of their number as Chairman of the Board. If the Chairman is not an independent director, the Board should appoint a non-executive or independent director as the deputy Chairman who can fulfil the role of Chairman whenever the Chair is conflicted.
- 10.2.** Where the Chairman is absent from a Board meeting, a Chairman for the meeting will be appointed by the present members of the Board.
- 10.3.** The principal role of the Chairman is to provide leadership to the Board and ensure that the Board works effectively and discharges its responsibilities.
- 10.4.** The Chairman will serve as the primary link between the Board and management. The Chairman will work with the CEO and/or Company Secretary to set the agenda for each Board meeting and is responsible for ensuring that all Directors are adequately briefed in relation to issues addressed at Board meetings.

11. COMPANY SECRETARY

- 11.1.** The appointment and, where appropriate, removal of the Company Secretary is a matter for the full Board.
- 11.2.** The Company Secretary is accountable to the Board, through the Chairman, for monitoring and enhancing corporate governance processes and ensuring that the principles and procedures of the Board are followed.

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

12. MEETINGS

- 12.1.** The Board must meet in accordance with the Constitution of the Company.
Notwithstanding the provisions of the Constitution, a quorum of the Board must at all times include at least one non-executive director.
- 12.2.** Directors must use all reasonable efforts to attend each meeting of the Board and Committees of which they are members.
- 12.3.** Board and Committee papers will be circulated to Directors with sufficient time prior to each Board and Committee meeting to enable Directors to undertake adequate preparation to permit their effective contribution at each meeting.
- 12.4.** At each Board meeting, Non-Executive Directors will be given the opportunity to meet without management present.

13. REVIEW AND AMENDMENT

- 13.1.** The Board will review annually the Board and Committee charters, and approve amendments as it considers appropriate.

This Charter was approved by the Board at a meeting of the Directors held on 19 June 2019.