

Board Charter



1. Overview

1.1 General Responsibilities

- a. The Board is primarily responsible for ensuring that Freelancer Limited (**Freelancer**) has an appropriate corporate governance structure aimed at creating and protecting shareholder value.
- b. The Board is also responsible for ensuring that management recognises Freelancer's legal and other obligations to all legitimate stakeholders. "Stakeholders" are groups that are likely to feel a social, environmental, economic or financial impact from Freelancer's actions. They include shareholders, customers, suppliers, employees, government regulators and members of the communities where Freelancer operates and are affected by Freelancer's activities.
- c. Freelancer's obligations to its stakeholders require that appropriate accountability and control systems are in place.
- d. This Charter explains Freelancer's commitment to corporate governance. It is not an "all inclusive" document and should be read as a broad expression of principles. The Board will review this Charter on an annual basis.

1.2 Corporate Governance

- a. Freelancer acknowledges the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments 3rd Edition (**ASX Principles**).
- b. The Freelancer Annual Report is to include a Corporate Governance Statement which will contain the content required by the ASX Principles (as well an explanation of any departures from the ASX Principles).

2. Freelancer Constitution

The Freelancer Constitution is Freelancer's key governance document. The Board ensures that it and Freelancer complies with the provisions of the Constitution.

3. Compliance With Laws

3.1 Specific Laws

As a public company listed on the Australian Securities Exchange (**ASX**), Freelancer must comply with the Corporations Act and the Listing Rules as well as all other applicable laws. Examples of applicable areas of regulation include:

- a. Competition and Consumer Act;
- b. employment related laws;
- c. anti-discrimination legislation; and
- d. taxation legislation.

4. Composition of the Freelancer Board

4.1 Board

The Board is to comprise:

- a. the Managing Director; and
- b. at least 2 other Directors.

5. Responsibilities and Duties

5.1 Specific Responsibilities

The Freelancer Board is responsible for setting the strategic direction of Freelancer and monitoring the implementation of that strategy by Freelancer management, including:

- a. oversight of the Freelancer Group, including its control and accountability systems;
- b. appointing and removing the Managing Director;
- c. appointing and removing the Company Secretary;
- d. Board and executive management development and succession planning;
- e. input into and final approval of corporate strategy;
- f. input into and final approval of the annual operating budget (including the capital management budget);
- g. approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestitures;
- h. monitoring compliance with all relevant legal, tax and regulatory obligations;
- i. reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
- j. at least annually, reviewing the effectiveness of Freelancer's implementation of its risk management system and internal control framework;
- k. monitoring executive management's performance and implementation of strategy and policies, including assessing whether appropriate resources are available;
- l. approving and monitoring financial and other reporting to the market, shareholders, employees and other stakeholders; and
- m. appointment, reappointment or replacement of the external auditor.

5.2 Performance

In discharging their duties, each Director must:

- a. exercise care and diligence;
- b. act in good faith in the best interests of Freelancer;
- c. not improperly use their position or misuse information of Freelancer; and
- d. commit the time necessary to discharge effectively his/her role as a Director.

5.3 Meetings

All Directors are entitled to be heard at all meetings and should bring an independent judgement to bear in decision-making.

5.4 Written Resolutions

Written resolutions:

- a. are to be sent to all Directors;
- b. are not to be implemented if any Director who is not excluded from voting on the resolution advises that they have any reservations about the proposed resolution (in which case the matter is to be considered at the next Board meeting); and
- c. are not to be implemented until all of the Directors who are not excluded from voting on the resolution consent to the resolution.

5.5 Review

At least once each year, the Directors will:

- a. review this Charter, consider any amendments required to comply with the ASX Principles and adopt those amendments (as appropriate); and
- b. review the Board's performance during the previous 12 months.

6. Committee Performance

6.1 Established Committees

To assist the Board in fulfilling its duties and responsibilities, it has established 2 Committees:

- a. Audit Committee; and
- b. Nomination and Remuneration Committee.

6.2 Charters

Each Committee has a formal Charter and has been granted certain delegations.

6.3 Audit Committee

Each Committee has an obligation to report on its meetings to the Board and minutes of all Committee meetings are to be made available to all Directors.

6.4 Nomination and Remuneration Committee

- a. remuneration matters including:
 - i. the remuneration framework for Non-Executive Directors;
 - ii. the remuneration and incentive framework, including any proposed equity incentive awards, for the Managing Director, any other Executive Directors and Senior Executives;
 - iii. recommendations and decisions (as relevant) on remuneration and incentive awards for the Managing Director, any other Executive Directors and Senior Executives; and
 - iv. strategic human resources policies; and

- b. nomination matters including:
 - i. Board appointments, re-elections and performance;
 - ii. Directors' induction programs and continuing development;
 - iii. Committee membership;
 - iv. endorsement of Senior Executive appointments; and
 - v. diversity obligations.

7. The Chairman

7.1 Responsibilities

To assist the Board in fulfilling its duties and responsibilities, it has established 2 Committees:

- a. leadership of the Board;
- b. overseeing the Board in the effective discharge of its supervisory role;
- c. the efficient organisation and conduct of the Board's function and meetings;
- d. facilitating the effective contribution of all Directors;
- e. briefing of all Directors in relation to issues arising at meetings;
- f. the promotion of constructive and respectful relations between Board members and between the Board and management;
- g. committing the time necessary to discharge effectively his/her role as Chairman; and
- h. scheduling regular and effective evaluations of the Board's performance.

8. Directors

8.1 Independence

- a. Independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationship and are willing to express their opinions at the Board table free of concern about their position or the position of any third party. The Freelancer Board does not believe it is possible to draft a list of criteria which are appropriate to characterise, in all circumstances, whether a Non-Executive Director is independent. It is the approach and attitude of each Non-Executive Director which is critical, and this must be considered in relation to each Director while taking into account all other relevant factors, which may include whether the Non-Executive Director:
 - i. is a substantial shareholder of Freelancer or an officer of, or otherwise associated directly with, a substantial shareholder of Freelancer;
 - ii. within the last three years has been employed in an executive capacity by any member of the Freelancer Group, or has been a director after ceasing to hold any such employment;
 - iii. within the last three years has been a partner or a senior management executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Freelancer Group;

- iv. within the last three years has been a principal of a material professional adviser or a material professional consultant to any member of the Freelancer Group, or an employee materially associated with the service provided - for this purpose a material professional adviser/consultant is an adviser whose billings to the Freelancer Group exceed 5% of the total revenues of the adviser/consultant;
 - v. is a material supplier to, or material customer of, any member of the Freelancer Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer - for this purpose a material supplier to the Freelancer Group means a supplier whose revenues from the Freelancer Group exceed 5% of the supplier's total revenues and a material customer is a customer whose payments to the Freelancer Group exceed 5% of the customer's operating costs;
 - vi. has a material contractual relationship with any member of the Freelancer Group other than as a director; and
 - vii. has any interest or business or other relationship which could materially interfere with the director's ability to act in the best interests of Freelancer and independently of management.
- b. Family ties and cross-directorships may also be relevant in considering interests and relationships which may compromise independence and should be disclosed by Directors to the Board.
 - c. The above guidelines must be applied with common sense. Directors are best able to determine if they have an interest or relationship which is likely to impact on their independence. As such, each Director is expected to advise the Chairman immediately if they believe they may no longer be independent. Should the Chairman or any other Director have any concern about the independence of a Director, they must immediately raise the issue with that Director and, if the issue is not resolved, with the Board.
 - d. Should the Chairman have any concern about his or her own independence, he or she must immediately raise the issue with the Deputy Chairman.
 - e. Each Director (other than the Chairman) must immediately disclose to the Chairman (with a copy to the Company Secretary) all information relevant for determining whether the Director is independent, including details of entities in which the Director has a material direct or indirect shareholding (or other interest), is an executive officer or is a director.
 - f. The Chairman must immediately disclose to the Deputy Chairman (with a copy to the Company Secretary) all information relevant for determining whether the Chairman is independent, including details of entities in which the Chairman has a material direct or indirect shareholding (or other interest), is an executive officer or is a director.
 - g. In the preparation of the agenda for each Board meeting, the Chairman and Company Secretary need to be sensitive to disclosed interests and consider whether it is appropriate to withhold part or all of an agenda item (including any relevant papers) from any Director because of a potential or actual conflict. If the Chairman decides to withhold part or all of an agenda item from a Director, they must advise the Director at the time of dispatch of the relevant Board paper.
 - h. Directors are to inform the Chairman or, in the case of the Chairman, the Deputy Chairman, prior to accepting any new appointment to any entity's board. Nomination and Remuneration Committee.

8.2 Access to Information, Independent Advice and Continuing Development

- a. Management must provide the Board and Committees with information in a form, timeframe and quality that enables them to effectively discharge their responsibilities and duties. Directors are entitled to request and receive copies of Committee papers.
- b. Directors are entitled to request and receive such reasonable additional information as they consider necessary to support informed decision-making. Any Director may, with the prior approval of the Managing Director or the Company Secretary, seek any information they require from any employee of the Freelancer Group and all employees must comply with such requests. Any significant issues raised by a Director are to be communicated to the Chairman, Managing Director or Company Secretary.
- c. Any Director may, with prior approval of the Chairman, take such independent legal, financial or other advice as they consider necessary at Freelancer's cost.
- d. The Board should understand the Freelancer Group structure and operations and key developments affecting the Freelancer Group and may receive periodic presentations to assist in achieving such an understanding.

8.3 Appointment and Removal of Directors

- a. The Board should be of a size and composition that is conducive to making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the Freelancer Group as a whole rather than of individual shareholders or other stakeholders.
- b. The Nomination and Remuneration Committee is responsible for making recommendations to the Board relating to the appointment and retirement of Directors.
- c. A new Director will receive a formal letter of appointment setting out the key terms and conditions relative to the appointment.

8.4 Director Protection Deeds

- a. The Constitution indemnifies each Director to the fullest extent permitted by law.
- b. Each Director is entitled to a Director Protection Deed which shall include provisions relating to:
 - i. access to Board papers;
 - ii. indemnity by Freelancer; and
 - iii. the maintenance of directors' and officers' insurance.

8.5 The Managing Director

- a. The Managing Director is responsible for the day-to-day management of the Freelancer Group with all powers, discretions and delegations authorised, from time to time, by the Board.
- b. The Managing Director is to have a formal executive services agreement describing his/her term of office, duties, rights and responsibilities and entitlements on termination.
- c. At each meeting where the Board approves the half-year and full-year financial statements, the Managing Director must provide the Board with a written declaration (together with an equivalent declaration from Freelancer's Chief Financial Officer) which includes a declaration whether, in the Managing Director's opinion:

- i. the financial records of Freelancer and the entities who are consolidated for financial reporting purposes (**Reporting Entity**) for the relevant reporting period have been properly maintained in accordance with section 286 of the Corporations Act;
- ii. the Reporting Entity's financial statements and the notes referred to in sections 295(3)(b) or 303(3) of the Corporations Act for the relevant reporting period comply with the accounting standards;
- iii. the financial statements and notes for the reporting period give a true and fair view of the financial position and performance of the Reporting Entity;
- iv. the declaration set out in paragraph 8.5(c)(iii) is founded on a sound system of risk management and internal control which, in all material respects, implements the policies adopted by the Board; and
- v. Freelancer's risk management and internal control system is operating effectively in all material respects.

8.6 **Company Secretary**

The Company Secretary plays an important role in supporting the effectiveness of the Board and its Committees. The role of the Company Secretary includes:

- a. advising the Board and its Committees on governance matters;
- b. monitoring that Board and Committee Policy and Procedures are followed;
- c. coordinating the timely completion and despatch of Board and Committee papers
- d. ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and
- e. helping to organise and facilitate the induction and professional development of directors.

Each director is able to communicate directly with the Company Secretary and vice versa. The decision to appoint or remove a Company Secretary is made or approved by the Board.

9. Freelancer Policy Framework

9.1 **The Managing Director**

The Board oversees the Freelancer policy framework, including key Freelancer policies. The Freelancer policy framework includes the Freelancer Code of Conduct and other significant policies recommended by the ASX Principles.

10. Shareholder Communication

- a. The Board will take steps to ensure that shareholders are provided with sufficient information to assess the performance of Freelancer and that they are informed of all major developments affecting the state of affairs of Freelancer relevant to shareholders in accordance with all applicable laws.
- b. Information will be communicated to shareholders through the lodgement of all relevant financial and other information with ASX and the publication of relevant information on Freelancer's website.
- c. In particular, Freelancer's website will contain information about it, including media releases, key policies and the terms of reference of its Board committees. All relevant announcements made to the market and any other relevant information will be posted on Freelancer's website as soon as they have been released to ASX.
- d. Shareholders are encouraged to contact the Freelancer Share Registry to arrange the direct receipt of shareholder materials.

11. External Auditor

The external auditor must attend the Annual General Meeting of Freelancer and must be available to answer questions about:

- a. the conduct of the audit;
- b. the preparations and content of the auditor's report;
- c. the accounting policies adopted by Freelancer in relation to the preparation of the financial statements; and
- d. the independence of the external auditor in relation to the conduct of the audit.