

Board Charter

Eagers Automotive Limited

1 Role of the Board

This charter sets out the principles for the operation of the Board of Directors of Eagers Automotive Limited and describes the functions and responsibilities of the Board.

The Board has primary responsibility to shareholders for the welfare of the Company by guiding and monitoring its business and affairs.

The Board must at all times act honestly, fairly and diligently in all respects in accordance with applicable laws and policies.

Each of the Directors, when representing the Company, must act in the best interests of the Company as a whole.

2 Responsibilities of the Board

The Board's key responsibilities are to:

- approve the Company's statement of values.
- define the Company's strategic objectives.
- set the risk appetite within which management is expected to operate.
- satisfy itself that an appropriate risk management framework (for both financial and non-financial risks) is in place, including systems for effective risk management, audit and compliance, to safeguard assets and enable the Company to act ethically and prudently within a strong culture of compliance.
- oversee the integrity of accounting and corporate reporting systems, including external audit.
- monitor financial performance and approve financial statements.
- approve:
 - payment of dividends and the issue of shares, options, equity instruments and other securities.
 - operating budgets and major capital expenditure.
 - acquisition, establishment, disposal or cessation of significant assets.
 - significant changes to organisational structure.
 - public statements on significant issues concerning the Company.
 - a remuneration framework aligned with the Company's purpose, values, strategic objectives and risk appetite.
- appoint the Chairman of the Board.
- select, appoint (and, if appropriate, remove from office), appraise and determine remuneration, benefits and service conditions of the CEO.
- delegate powers to the CEO as necessary to enable day-to-day business to be carried on and any other delegations as the Board may determine.
- oversee management's implementation of the Company's strategic objectives, instilling of the Company's values and performance generally.
- whenever required, challenge management and hold it to account.
- satisfy itself that an appropriate framework exists for relevant information to be reported by management to the Board.
- oversee the process for making timely and balanced disclosure of all information that a reasonable person would expect to have a material effect on the price or value of the Company's shares.

- ratify the appointment (and, if appropriate, the removal from office) of the Company Secretary, the Chief Financial Officer and any other senior executives as the Board may determine.
- act in accordance with the Company's constitution.

3 Responsibilities of Management

The CEO is responsible for:

- implementing the Company's strategic objectives, instilling its values and carrying on its day-to-day business, within the risk appetite and budget set by the Board.
- providing the Board with accurate, timely and clear information to enable the Board to fulfil its responsibilities.
- in consultation with the Board, reviewing the performance of other senior management on an ongoing basis and their remuneration, financial incentives, reward framework, conditions of services and performance monitoring procedures, at least annually.

4 Board Membership

The Board will comprise a majority of non-executive Directors at all times.

The Directors will appoint as Chairman one of the non-executive Directors who is considered by the Board to be independent.

The size of the Board will be determined by the Board, subject to limits imposed by the Company's constitution.

5 Independence

A Director will be considered independent if the Board believes the Director to be free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to:

- bring an independent judgement to bear on issues before the Board; and
- act in the best interests of the Company and its shareholders generally.

The Board may have regard to any factors considered relevant in the circumstances, including any guidelines issued by the ASX Corporate Governance Council.

6 Role of Chairman

The Chairman will preside over Board meetings and general meetings of the Company, with the meetings to be conducted competently and ethically.

The Chairman will provide Directors, individually and as a group, with the opportunity to explore ideas, air differences and generate the collective views and wisdom necessary for the proper operation of the Board and the Company.

The Chairman will:

- ensure a process is in place for Directors to be appropriately briefed with adequate and timely information on the Company's operations and with adequate time to discuss Board meeting agenda items, including strategic issues.
- act as primary counsellor to the CEO.
- represent the views of the Board to the public on appropriate occasions.
- be the Board's representative in dealing with management to ensure its views are communicated clearly and accurately.

7 Board Meetings

The Board will meet at least eight times a year as a general rule and at other times when necessary to deal with urgent matters that arise between scheduled meetings.

8 Board Committees

The Board may from time to time establish committees comprising some or all of its members to assist it in carrying out its responsibilities. It currently has two standing committees, being the Audit & Risk Committee and the Remuneration & Nomination Committee, each of which has a Board-approved charter.

9 Independent Professional Advice

To assist in the proper discharge of their responsibilities, Directors are entitled to obtain independent professional advice at the Company's expense with the Chairman's prior approval, which is not to be unreasonably withheld.